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No. 339

IN THE

Supreme Court of the United States

OCTOBER TERM, 1958

JEROME S. SPEVACK, *Petitioner*

v.

LEWIS L. STRAUSS, ET AL., *Respondents*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

and

MOTION FOR LEAVE TO USE CERTIFIED RECORD FROM THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT HERETOFORE FILED IN THIS COURT (IN NO. 641, OCTOBER TERM, 1957) IN LIEU OF REDESIGNATING AND RECERTIFYING SAME

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1958

No. .....

JEROME S. SPEVACK, *Petitioner*

vs.

LEWIS L. STRAUSS, ET AL., *Respondents*

MOTION FOR LEAVE TO USE CERTIFIED RECORD FROM THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT HERETOFORE FILED IN THIS COURT (IN NO. 641, OCTOBER TERM, 1957) IN LIEU OF REDESIGNATING AND RECERTIFYING SAME

Comes now the petitioner, Jerome S. Spevack, and through his attorneys moves the Court for leave to use certified record from the United States Court of Appeals for the District of Columbia Circuit in prior petition for certiorari proceedings (*Jerome S. Spevack* v. *Lewis L. Strauss, et al.*, No. 641, October Term, 1957, which petition was granted), in lieu of redesignation and recertification of such documents.

The grounds for this motion are that in the aforementioned previous petition for certiorari which was filed in this Court on December 4, 1957, the Clerk of the United States Court of Appeals for the District of Columbia Circuit after petitioner's "Designation of Record" in that Court, prepared a certified record consisting of 21 separate documents and consisting of 134 pages, which certified record was filed in this Court on December 4, 1957, and is still in the possession of the Clerk of this Court.

Petitioner has filed a second petition for certiorari in this Court to review the decision of the United States Court of Appeals for the District of Columbia Circuit of June 9, 1958. All, or most, of the documents contained in the aforementioned certified record are pertinent to the present petition for certiorari and could be used in lieu of unnecessary redesignation and recertification by the Clerk, and thus Petitioner should only be required to designate such portions of the record of the Court of Appeals as are otherwise pertinent.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1958

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JEROME S. SPEVACK, *Petitioner*

v.

LEWIS L. STRAUSS, ET AL., *Respondents*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

Jerome S. Spevack, petitioner, prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the District of Columbia Circuit in this case.

No part of this Petition or its appendices contains any disclosure of the secret processes involved, forming the basis of the impounding order of the Court of Appeals, and that Court's Order of August 20, 1958. Under this Court's Order of July 3, 1958 (Appendix F, p. 19a) Respondents' counsel should observe similar caution.

OPINIONS BELOW

The District Court rendered no opinion on entering its Findings of Facts and Conclusions of Law, and Order Denying Petitioner's Motion for a Preliminary Injunction. (R. 17, J. A. 17).[1]

The previous opinion of the Court of Appeals for the District of Columbia Circuit rendered September 19, 1957 (Appendix B, *infra,* p. 9a) is reported at 248 F. 2d 752, 101 U. S. App. D. C. 339.

The opinion of the Court of Appeals of the District of Columbia Circuit of June 9, 1958 which forms the subject matter of this Petition (Appendix D, *infra,* p. 14a) is not yet officially reported.

JURISDICTION

The judgment of the Court of Appeals was entered on June 9, 1958. (Appendix D, *infra,* p. 16a). Petitioner's suggestion that the Court of Appeals should vacate its opinion and judgment contained in his "Answer to Order to Show Cause" (NR 47) which was filed on June 11, 1958, and which was similar to a Petition for Rehearing, was denied on June 24, 1958. (NR 53). The jurisdiction of this court is invoked under 28 U. S. C. Sec. 1254.

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[1] References herein to the Court of Appeals record consisting of 134 pages used in conjunction with the previous Petition for a Writ of Certiorari filed in this matter. (No. 641, October Term, 1957) which forms the subject matter of the motion set forth in the front of this pamphlet, are denoted "(R. .....)". References to the Court of Appeals Record certified to this Court incident to this Petition are denoted "(NR. .....)".

QUESTIONS PRESENTED

1 (WAS STATUTE CORRECTLY INTERPRETED?). Whether the Atomic Energy Act of 1954 is correctly interpreted to direct or authorize the Respondents to deprive a citizen of private property rights in his invention, forming the subject matter of a pending U. S. patent application and disclosed to the U. S. Atomic Energy Commission (sometimes termed A. E. C. hereinafter) in confidence in accordance with law, by publishing and/or publicly disseminating said subject matter without regard to the proprietary right of the inventor thereof, without his consent, and to his detriment—

A (*Where Constitutional Authority is Limited to Property of the United States*). Where said Act must be construed to conform to the limited power given to Congress by the Constitution to dispose only of "*property belonging to the United States*", and not of property which is owned by a private citizen. (Article 4, Section 3 and Amendments IX and X of the Constitution of the United States);

B (*Where Respondents Proposed Disclosure is Not Within the Limited Authority of the Atomic Energy Act*). Where consistent with its powers, Congress in said Act conferred upon the Respondents only limited authority to control dissemination of information: *i.e.*

(1) limited authority under Secs. 141, 144 and 123 for non-public communication to "other nations" cooperating and in privity with the A. E. C. of certain types of "Restricted Data" (as defined in Sec. 11(r) of the Act within

which definitions the Petitioner's invention does not fall), the Act expressly providing in Sec. 173 for compensation for such non-public communication of "Restricted Data" based on any patent application not belonging to the United States", (42 U. S. C. Secs. 2161, 2164, 2153, 2014(r) and 2223);

(2) limited authority under Secs. 2(b) and 3(b) for "permitting the property of the United States to be used by others" including by dissemination of "unclassified" scientific and technical information owned by the United States (or in the public domain), (42 U. S. C. Secs. 2012(b) and 2013(b));

(3) limited authority under Sec. 142(a) for determining the data "within the definition of Restricted Data" which can be published (by the owner thereof) and causing such data to be removed from the category of Restricted Data (defined in Sec. 11(r)) subject to the further limitation under Section 141(b) that dissemination of scientific and technical information relating to "atomic energy" (as defined in the Act, within which definition Petitioner's invention does not fall) "should be permitted and encouraged" (42 U. S. C. Secs. 2162(a), 2014(r), 2161(b);

C (*Where There is No Express Authority in the Act and There Are Specific Statutory Prohibitions*). Where said Act contains no *express direction or authority* to the Respondents to publish and/or publicly disseminate privately owned information disclosed to them in confidence, and no express provision for compensation for such ac-

tion inferring such direction or authority, but on the contrary provides in Sec. 146 (42 U. S. C. Sec. 2166) that the Respondents "shall have no power to control or restrict the dissemination of information other than that granted by this or any other law" and that "sections 141 to 145, inclusive" (42 U. S. C. Secs. 2161-2165) "shall not exclude the applicable provisions of any other laws", e.g.

(1) the general prohibition under penalty of fine and/or imprisonment and removal from office, against the publication or disclosure in any manner of privately owned information received by Respondents as government officials in confidence, 18 U. S. C. Sec. 1905, and

(2) the specific provision of the Patent Law that U. S. patent applications shall be "kept in confidence" by the Patent Office and hence by those in privity with it, 35 U. S. C., Sec. 122 and 37 C. F. R., Sec. 1.14;

D. (*Where Respondents Authority Under the Patent Act to Deal with Information Here Involved Has Been Exhausted*). Where the citizen's invention does not fall within the definition of "Restricted Data" or "atomic energy" as defined in said Act and the sole authority of the Respondents for controlling dissemination thereof was derived, not from said Act, but from the Patent Act of 1952, 35 U. S. C., Secs. 181-188, and was exhausted when they took the following four steps:

(1) when they caused a secrecy order to be issued in said application under 35 U. S. C. Sec. 181 and

(2) when they refused to permit the Commissioner of Patents to consent to modification of the secrecy order to permit filing of applications for foreign patents under 35 U. S. C. Sec. 184, and

(3) when they caused the subject matter of the said application to be used by the United States Government as implicitly authorized by 35 U. S. C. Sec. 183, and

(4) when they subsequently, pursuant to 35 U. S. C. Sec. 181, notified the Commissioner of Patents that the secrecy order might be rescinded;

E (*Where Respondents Proposed Publication Constitutes a Breach of Trust*). Where such publication and/or public dissemination without the inventor's consent would be in violation of the obligations of trusteeship placed upon Respondents by the Patent Act, 35 U. S. C. Secs. 122 and 181-188, the Regulations pursuant thereto, 37 C. F. R. Secs. 1.14 and 5.1 and the Criminal Law applicable to breach thereof 18 U. S. C. Sec. 1905;

F (*Where Respondents Have Not Exercised Specific Authority To Acquire the Private Property Rights Involved for the United States*). Where Congress recognized the constitutional limitations on the government's power to dispose only of property of the United States, by specifically authorizing the A. E. C., by Secs. 161(g) and 261 of the Act, in the "performance of its functions" to acquire or purchase personal property or property rights, such as are here involved, from the

owners thereof as agent for and on behalf of the United States (42 U. S. C. 2201(g) and 2017).

2 (DID THE COURT'S INTERPRETATION RENDER THE STATUTE UNCONSTITUTIONAL AS AUTHORIZING A DISPOSAL OF PROPERTY NOT BELONGING TO THE UNITED STATES?). Whether Sections 3(b), 141 and 141(b) of the Atomic Energy Act of 1954 (42 U. S. C. Secs. 2013(b), 2161, and 2161(b))—interpreted to direct or authorize the Respondents to deprive a citizen of private property rights in his invention, forming the subject matter of a pending U. S. patent application, and disclosed to the A. E. C. in confidence in accordance with law, by publishing and/or publicly disseminating said subject matter without regard to the proprietary rights of the inventor thereof, without his consent, and to his detriment—are unconstitutional, *inter alia,* as in excess of the power given to Congress by Article 4, Section 3 and Amendments 9 and 10 of the Constitution of the United States, to dispose only of "property belonging to the United States", and *not* of property belonging to a private citizen.

3 (DID THE COURT'S INTERPRETATION RENDER THE STATUTE UNCONSTITUTIONAL AS AUTHORIZING A DEPRIVATION OF PROPERTY WITHOUT DUE PROCESS OR COMPENSATION?). Whether an interpretation of Sections 3(b), 141, and 141(b) of the Atomic Energy Act of 1954 (42 U. S. C. Secs. 2013(b), 2161, 2161(b)) to authorize the Respondents to dispose of an inventor's personal property rights in his invention, disclosed to them in confidence, by publishing the subject matter thereof without his consent and without first lawfully

acquiring or purchasing for the United States the right to so dispose of such property as elsewhere provided for in the Act, renders the Act unconstitutional as regards said sections, *inter alia,* as authorizing a deprivation of private property without due process of law, or by taking thereof without provision for just compensation, as required by the 5th Amendment of the Constitution, where the Act does not expressly authorize such action, and does not implicitly authorize such action by an express provision for just compensation therefor.

4 (Does This Action to Enjoin Government Officers From Breaching Confidence and Destroying Private Property Rights of an Inventor Fail to State a Claim on Which Relief Can Be Granted?).

Whether an action, brought by a citizen of the United States against the Respondents to enjoin them from publicly disclosing his invention entrusted to them in confidence, fails to state a claim on which relief can be granted, and should be dismissed:

(a) where the invention and U. S. patent application were revealed to the A. E. C. in confidence; and

(b) where the citizen's proprietary interests as an inventor and applicant for U. S. patent include the prerogative, until a patent issues, of maintaining his invention in secret for preserving his right to seek patent protection and promotion thereof in foreign countries as well as in the United States; and

(c) where the subject matter of a privately owned United States patent application is required to be maintained in secrecy by the United States Gov-

ernment under 35 U. S. C., Secs. 122 and 181 and 37 C. F. R. 1.14 and 5.1; and

(d) where government officers are subject to criminal penalties for divulging information received in confidence, 18 U. S. C. Sec. 1905; and

(e) where the said invention and U. S. patent application were subjected, at the instance of the A. E. C., to security classification and a "Secrecy Order" issued in the U. S. Patent Application under 35 U. S. C. Sec. 181; and

(f) where such "Secrecy Order" prohibited the inventor from making applications for foreign patents on his invention under the International Convention and thereafter, until the subject matter was declassified and the Secrecy Order rescinded on February 1, 1957; and

(g) where the A. E. C. under 35 U. S. C. Sec. 184, refused to consent to modification of the "Secrecy Order" to permit the inventor to file such application even in Canada; and

(h) where the publication threatened by Respondents would destroy proprietary rights of the inventor including his right to apply for and obtain valid patents for the concerned invention in many foreign countries; and

(i) where Congress under the Constitution of the United States, and more particularly under the delegation of powers in Article 4, Sec. 3 and the limitations of powers under the 5th, 9th and 10th Amendments thereto, is forbidden to authorize the A. E. C. to violate private property rights by publicly disclosing privately owned inventions entrusted to it in confidence; and

(j) where Congress recognized this limitation on its powers in Sec. 2(b) of the Act (42 U. S. C. Sec. 2012(b)), and gave authority to the A. E. C. in Sec. 161(g) of the Act (42 U. S. C. 2201(g)) to purchase rights in personal property which it might w.sh to deal with on behalf of the United States, which course has not been followed by Respondents; and

(k) where there is in said Act no express provision for compensation—to the owner of an invention, disclosed to the Atomic Energy Commission in confidence, for property rights destroyed by public dissemination thereof by said Commission without his consent—from which to imply authority to so disseminate; and no express direction to the Commission to so disseminate from which to imply an assumption of liability for just compensation under 28 U. S. C. Sec. 1491.

5 (Was Petitioner Denied a Proper "Hearing" and Was There Competent Proof of Mootness in the District Court?) A question not reached by the Court of Appeals, but proper to be considered by this Court in its discretion, is whether the District Court was in error in concluding that this action was moot, which constituted a final disposition of the case—

(a) when such conclusion was based merely on affidavits filed by Respondents all of which were founded on hearsay and/or were incompetent in other respects,[2] and

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[2] In the case as now presented, the affidavit of John R. Hall, Acting Assistant Manager for International Activities of the Atomic Energy Commission, filed in this Court on July 3, 1958 (Appendix E, *infra*, p. 17a) evidences that in fact there was no publication of the invention here concerned as incompetently al-

(b) where Petitioner was denied a proper "hearing" including the right to cross examine the affiants.

6 (How Could the Injunction Sought Be Futile Where Rights Remain?) A further question not reached by the Court of Appeals but proper to be considered by this Court in its discretion, is whether, assuming *arguendo* that the affidavits filed by the Respondents in the District Court were competent and did show a limited publication by Respondents of subject matter of Petitioner's invention in a certain few countries (without his consent), the District Court was in error in finding that this action was moot, where such limited unconsented publication would not destroy Petitioner's right to apply for and obtain valid patents for the invention in many other countries in the absence of further publication *in* such other countries, respectively, and where the Respondents threaten further promulgations if not enjoined therefrom.

7 (Did the Court of Appeals Comply With This Courts' Mandate?) Further questions presented in this case are;

(a) whether the Court of Appeals properly interpreted and complied with the mandate of this Court,

(b) whether it properly assumed as implied by its decision on remand, that this Court would grant

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leged in the affidavits filed in the District Court. (See reason 5(B) p. 39, *infra*) As shown in the Affidavit of Jerome S. Spevack, filed in this Court on August 25, 1958, a publication not authorized by Petitioner has been made of some of the improved processes involved in Petitioner's patent application as described in his Complaint filed in the United States District Court for the District Columbia, despite the restraining Orders of this Court, but such publication does not render this action moot. (See reasons 5(C) and (E) p. 41, *infra*)

certiorari and vacate a judgment of dismissal to merely correct a matter of procedure in a case deemed properly dismissable, and

(c) whether the Court of Appeals abused its discretion and acted in a manner contrary to the proper functioning of the Federal judiciary in ordering dismissal of the amended complaint without determining the issues of mootness raised by Petitioner's appeal, in the face of the mandate of this Court that it "determine . . . the issues raised by Petitioner's appeal".

CONSTITUTIONAL PROVISIONS, STATUTES, AND RULES INVOLVED

The Constitutional provisions, Statutes, and Rules involved, United States Constitution, Article 1, Section 8; Article 4, Section 3; 5th, 9th and 10th Amendments; Atomic Energy Act of 1954, Secs. 1, 2, 3, 11, 123, 141, 142, 144, 146, 161, 173, 261; Patent Act of 1952, Secs. 122, 181, 184; Code of Federal Regulations, Title 37, Part 1, Sec. 1.14; Part 5, Sec. 5.1; 18 U. S. C. Sec. 1905; 28 U. S. C. Sec. 1491; Federal Rules of Civil Procedure, Rule 56; are set forth in Appendix A, *infra*, pp. 1a-9a.

STATEMENT OF THE CASE[3]

PRIOR TO SUIT

Earlier Invention

In 1942, Petitioner invented a "Dual Temperature" process of isotope concentration. (Publication MDDC-891, United States Atomic Energy Commission, 2

[3] This statement is in somewhat more detail than would otherwise be required, because of inaccurate and misleading statements of opposing counsel in prior pleadings, briefs and arguments in this action.

pages, declassified February 26, 1947.) Though not under patent assignment agreement when that invention was made, Petitioner in 1943 assigned that invention and application for patent thereon to the Government. That invention was held under a "Secrecy Order" until February 1, 1957, and U. S. Patent No. 2,787,526 issued to the Government thereon April 2, 1957. (R. 2, Complaint para. 2, J. A. 2.)[4] Publication of that invention by the Government is not in issue here.

Petitioner was employed at Columbia University by various contractors to the Manhattan Engineering District, predecessor of the A. E. C., from 1943 through June, 1946. After early 1944 that employment had no relation to the aforementioned invention or the invention involved herein, but related to different fields entirely.

Petitioner's New Process; Disclosed to A.E.C. in Confidence

After June, 1946, Petitioner was self-employed during which period he independently invented the improved isotope concentration process, particularly, but not exclusively, adapted for the production of heavy water, involved in the present controversy (hereinafter sometimes called "new process"). On May 27, 1948, he made the existence and availability of his new process known to the A. E. C. (Letter to Burns dated July 2, 1948 attached to Spevack affidavit filed in Court of Appeals, R. 75-76). He disclosed the substance of his new process to the A. E. C. in confidence, in compliance with the spirit of the Atomic Energy Act of 1946, on August 8, 1949 and thereafter. Said disclosures were designated "Classified Security Information" by

[4] See Footnote 1, page 4, *supra*, re record references.

the A. E. C. (R. 1-3, Complaint, paras. 2, 4, 5, J. A. 1, 2, 3).

Petitioner as Independent Contractor Prepared Report for and Rendered Services to A.E.C.

In October, 1949, pursuant to a special contract with the A. E. C. which expressly referred to and reserved his proprietary rights in the new process, he submitted as an independent contractor, a report showing how the new process could be embodied in a heavy water pilot plant (R. 1-2, Complaint paras. 2, 5, J. A. 1-2; and R. 47, J. A. 47). From 1950 to 1953, Petitioner rendered services to the A. E. C. as an independent contractor under further special contracts which expressly referred to and reserved his proprietary rights in his new process, to be made the subject of a U. S. patent application of Petitioner.

Petitioner's Patent Application; Disclosed to A.E.C. by Patent Office; Secrecy Order

The Petitioner duly filed his U. S. Patent Application on his new process September 29, 1950, S. N. 188,925; a copy thereof was supplied by the Patent Office to the A. E. C. on October 23, 1950, pursuant to 35 U. S. C. Sec. 42 (now 35 U. S. C., Sec. 181, Appendix A, *infra,* p. 6a); and on October 31, 1950, the new process was put under "Secrecy Order" at the instance of the A. E. C. (R. 1, 3, 7, 9, Complaint paras. 2, 4, 7, and Exhibit A thereto, J. A. 1, 2, 3, 9).

Effect of Secrecy Order

This Secrecy Order directed Petitioner to in no wise disclose the invention, etc. (new process) in any way to any person, under penalties of law, and hence prevented petitioner from taking any steps toward filing foreign patent applications (R. 3, Complaint

para. 8. J. A. 3). Petitioner sought a modification of the Secrecy Order to permit filing of an application in Canada in 1951, but this was denied by the Patent Office at the instance of the A. E. C. (R. 3, R. 19, Complaint, para. 9, J. A. 3 and Exhibit B to Complaint, J. A. 10).

Petitioner's Plea That Respondents Not Publish His Invention

On February 1, 1957, the "Secrecy Order" was rescinded, and at the same time, the A. E. C. declassified and threatened to publish material disclosing the subject matter of Petitioner's patent application (R. 4, Complaint, para. 11, J. A. 4). Petitioner, through counsel, promptly on February 1, 1957 and thereafter attempted unsuccessfully to obtain firm assurance from the A. E. C. that it would not publish material disclosing the subject matter of his patent application (R. 5, Complaint, para. 14, J. A. 5), pointing out that such publication before he could finance and file patent applications abroad would be a breach of confidence and would destroy property rights of Petitioner in his new process. (R. 4-7 Complaint, paras. 12, 13, 14, 15, 16, 17, J. A. 4-7) and affidavits of Spevack, Parker and Houghton filed in the Court of Appeals. (R. 72-78).

Respondents in Privity With Patent Office

The subject matter of Petitioner's patent application on the new process, all the claims of which have now been allowed by the U. S. Patent Office, is required to be maintained in secrecy by the Patent Office under 35 U. S. C., Sec. 122 (Appendix A, *infra*, p. 5a), and the A. E. C. is in privity with the Patent Office under 35 U. S. C., Sec. 181 (Appendix A, *infra*, p. 6a).

PROCEEDINGS IN DISTRICT COURT (ALL IN 1957)

Suit Filed

When Petitioner's aforementioned efforts failed, he filed on April 10, a Complaint for an Injunction (R. 1, J. A. 1). The jurisdiction of the District Court was invoked under its general powers and equity jurisdiction (R. 1, Complaint, para. 1, J. A. 1) and because the acts threatened by Respondents were "illegal" and "unlawful" (R. 2, Complaint, para. 3, J. A. 2). On April 10 that Court issued a Temporary Restraining Order, *ex parte,* enjoining respondents from publishing the subject matter of petitioner's new process (R. 14, J. A. 14).

Finding of Jurisdiction; Errors; Ground of Decision

On April 18 and 19 proceedings on Petitioner's Motion for Preliminary Injunction were held *in camera* to guard against public disclosures detrimental to Petitioner. The Court specifically found it had jurisdiction and overruled Respendent's contention that this was an unconsented suit against the United States (R. 57-58, J. A. 57, 58). On April 19 *ex parte* affidavits just prepared by employees and agents of Respondents were produced (sole evidence produced by Respondents) which asserted that actions alleged to constitute a publication by Respondents had occurred prior to the institution of this suit. (R. 62-63; J. A. 62-63). The Court denied Petitioner's request to cross-examine the affiants (R. 61, 67; J. A. 61, 67), ignored Petitioner's argument as to the competence of the affidavits (R. 67-71, J. A. 67-71) and denied the motion on the ground of mootness, solely on the basis of said affidavits. The Court issued a Stay pending application to the Court of Appeals (R. 68, J. A. 68). Appeal was noted April 22 (R. 38, J. A. 38).

PROCEEDINGS IN COURT OF APPEALS AND ON MOTION FOR PRELIMINARY INJUNCTION IN THIS COURT (ALL IN 1957

Stay Continued

On April 26, the Court of Appeals ordered Respondents to refrain from disclosures concerning the new process, and ordered the Clerk to continue the impounding of the record and pleadings. On May 28, the appeal was submitted on briefs.

Ruling of No Jurisdiction

The Court of Appeals, on September 19, issued its opinion that the District Court lacked jurisdiction because this was an unconsented suit against the United States (Appendix B, *infra,* p. 9a) and entered judgment directing the District Court to dismiss the complaint (Appendix B, *infra,* p. 11a).

Motion to Amend and Petition for Rehearing

On October 1, Petitioner filed in the Court of Appeals a "Motion for Leave to File an Amended Complaint . . ." (R. 87, amendments without motion, Appendix C, *infra,* p. 12a) to amplify the allegations of jurisdiction, grounded upon 28 U. S. C., Sec. 1653, which statute states "defective alegations of jurisdiction may be amended upon terms in trial or appellate courts", and upon F. R. C. P., Rule 15; and gave written notice of the existence of a constitutional question to the Chief Judge of the Court of Appeals in accordance with that Court's Rule 30. (R. 121) On October 4, a Petition for Rehearing, along with certain motions to maintain the *status quo,* were filed.

Motion and Petition Denied

The Court of Appeals on October 25, denied the Motion for Leave to File an Amended Complaint, etc., (R. 124), and the Petition for Rehearing (R. 123). A stay until October 30 was obtained.

Supreme Court Stay

On October 29, Petitioner filed in this Court his Motion for Preliminary Injunction or Stay. On November 2 "Petitioner's Reply to Respondent's Opposition, . . ." was filed, and on November 4 Petitioner's "Supplement to Petitioner's Reply to Respondents' Opposition . . ." On November 4, the Chief Justice of the United States entered an order enjoining Respondents and their successors from further disclosures of the new process, on terms.

Substitution of Parties, etc.

Subsequent to November 4, the Court of Appeals entered orders staying transmission of judgment (R. 125) and approving a stipulation (R. 131) amending the complaint with respect to parties, and stipulating that the original and new defendants, unless otherwise ordered by the Court, intend to take the action sought to be enjoined by this suit.

THE PROCEEDINGS IN THE SUPREME COURT ON FIRST PETITION FOR CERTIORARI

First Petition for Certiorari

The Petitioner's first Petition for Certiorari to review the decision of September 19, 1957 was filed on December 4, 1957. On March 3, 1958, this Court granted the petition and acted thereon, ruling as follows:

> "PER CURIAM: The petition for certiorari is granted. The judgment of the Court of Appeals, and the orders of the Court of Appeals denying

petitioner's motion for leave to amend the complaint and petition for rehearing, are vacated. The case is remanded to the Court of Appeals with instructions (1) to allow petitioner's proposed amendments to the complaint and (2) to determine, in light of the amended complaint, the issues raised by petitioner's appeal."

First Supreme Court Stay Extended

On March 31, 1958, this Court extended its original stay, stating in part as follows:

> "It is ordered that the stay order of November 4, 1957 be and the stay is hereby continued to permit the United States Court of Appeals for the District of Columbia Circuit to consider and pass on a motion seeking similar relief presented that Court on March 21, 1958."

PROCEEDINGS IN THE COURT OF APPEALS AFTER REMAND. AND ON MOTION FOR PRELIMINARY INJUNCTION. ETC. IN THAT COURT (ALL IN 1958.)

This Court's Order of March 31, 1958 Continued in Effect

On April 16, 1958 the Court Below held in abeyance action on Petitioner's motion for a stay or preliminary injunction filed March 21, 1958 in that Court, thereby leaving in effect this Court's Order of March 31, 1958.

Second Opinion of the Court of Appeals

On June 9, 1958, the Court of Appeals handed down its second opinion in this action (Appendix D, p. 14a) reiterating in substance that the Act authorized the publication sought to be enjoined and stating that: "We now hold that the Constitution does not forbid the publication . . . Appellants amended complaint therefor fails to state a claim on which relief can be granted.", and ordering the case to be remanded to the District Court "with instructions to dismiss the amended complaint".

Order to Show Cause and Proceedings Thereunder

On June 10, 1958, the Court of Appeals issued an order to Appellant (Petitioner) to show cause on or before June 11, 1958 why the motion for a preliminary injunction filed by Appellant on March 21, 1958 should not be denied. On June 11, 1958, Appellant filed his answer to the order to show cause and suggested therein that the Court should *sua sponte* vacate its opinion on the ground that, even if the Atomic Energy Act could properly be interpreted to authorize publications of "scientific and technical information relating to atomic energy" or of material which had been properly classified as "Restricted Data", such authority to publish did not extend to the subject matter of the Appellant's invention (NR 47). Thereafter, the Appellees filed their opposition to Appellant's answer to the order to show cause.

Ruling on Motion for Preliminary Injunction

On June 24, 1958 the Court entered its order which (1) denied Appellant's motion for a preliminary injunction, filed March 21, 1958, but (2) (Appellant having indicated that he intended to apply to the Supreme Court of the United States for a Writ of Certiorari) enjoined the Appellees from further promulgation or disclosures, etc. to and including July 31, 1958, to enable Appellant to apply to the Supreme Court for a Writ of Certiorari and further stay, (3) directed the Clerk to continue the impounding of the record to and including July 31, 1958, and (4) denied Appellant's suggestion that the Court vacate its opinion and judgment of June 9, 1958. (NR 53).

SUPREME COURT STAY AND PROCEEDINGS INCIDENT TO PRESENT PETITION FOR CERTIORARI

On July 3, 1958 the Chief Justice of the United States issued an order enjoining the Respondents from further promulgations of disclosures, etc., concerning the improved processes involved in Petitioner's patent application . . . (Appendix F, p. 19a).

Petitioner's Petition for Discovery to Determine Whether Respondents Have Violated Order of This Court

On August 25, 1958, the Petitioner filed a Petition which called to the attention of this Court certain facts indicating that the Respondents may have violated the Orders of this Court, and prayed that an Order be issued requiring the Respondents to answer certain interrogatories to inform this Court of further facts peculiarly within their knowledge and control. This Petition for Discovery has not yet been acted upon by this Court.

REASONS FOR GRANTING THE WRIT

1. The Writ Should be Granted Because of the Tremendous Importance of the Questions Presented to Our National Welfare and Defense, to the Initiative and Incentive of Scientists and Inventors Cooperating With Government Agencies Such as the A.E.C., and to Such Agencies.

This case involves issues of extreme importance to the Nation, far broader than those involved in the case itself. It involves issues important to government departments and agencies, to Congress drafting and enacting legislation to be administered by such departments etc., and to the scientists, inventors, and others whose secrets may be entrusted to, or dealt with, by such agencies. It involves the guarantees of the Constitution of the United States protecting private property, and the treatment which

U. S. citizens may expect in their dealings with United States government agencies and in particular the A.E.C. It involves proposed destruction of private property, or indiscriminate delivery thereof to private parties in this and foreign countries, under the claim that such destruction of a citizen's property is in the public interest.

This case has received considerable comment in professional and trade journals and in the press in connection with the broad aspects of Government policy. Thus, in the eminent technical journal "CHEMICAL WEEK" for October 5, 1957, p. 52, it is stated that we have in this case an **"important question for industry and individual inventors alike," namely: "By what means can an inventor protect the secrecy of a discovery disclosed to the Government in confidence until he secures United States and foreign patent protection?"** This statement has been adopted as expressing the views of the **Engineers Joint Council,** representing approximately 250,000 of our nation's engineers and scientists, in its Brief Amicus filed in support of the previous petition in January 1958 (No. 641, October Term 1957) in which it states that:

> **". . . the case at bar presents a serious threat to the fundamental rights of our nation's engineers and scientists."**

and

> **"The issues involved in this case affect the welfare and security of our country's engineers and scientists as well as the Atomic Energy Commission. If our nation's inventors have no way of protecting their property rights, which is the necessary result of the decision of the lower court, the initiative of engineers and scientists will be curtailed at a time**

> **when our country is in dire need of scientific knowledge. Such result is contrary to the purpose stated by Congress in the Atomic Energy Act of 1954. The effect of the lower court's decision is to discourage rather than encourage scientific research at the very time in our history when our country is relying on scientific progress for its survival."**

and as stated in the Brief Amicus filed in support of the previous petition by the **American Chemical Society**, representing some 80,000 professional members,

> "This Amicus Curiae, through the submission of its brief herein, supports the petition for a writ of certiorari to the United States Court of Appeals for the District of Columbia Circuit to the end that that Court's decision be reviewed **so that this Court may determine whether the Atomic Energy Act of 1954** (sometimes hereinafter called the "Act") **authorizes the Atomic Energy Commission** (sometimes hereinafter called the "Commission") **to publish details of inventions revealed to it in confidence pursuant to statutory requirements, which inventions in turn are subjects of patent applications, without regard to rights of inventors in respect of their patent applications.** (emphasis supplied)
>
> "The importance of this question to members of the American Chemical Society cannot be overstated. Possibly in no other profession are so many engaged in both basic and applied research. From this research flow thousands of applications for patents each year, many of which, unless the decision below is reversed, would be subject to the arbitrary and confiscatory treatment proposed to be accorded to Petitioner herein."

These very important questions are still present and require an answer by this Court. The decision of the

Court of Appeals of June 9, 1958, is essentially the same as that of September 18, 1957, which was set aside by this Court. It holds that "if" the destruction of property by publication is a "taking" authorized by the Act, then one might seek just compensation in the Court of Claims for the virtually immeasurable value of the intangible rights destroyed. But there is no determination that the publication would constitute an authorized "taking" in the view of the Court of Claims, or that that Court would consider such wanton "destruction" of private property to be a taking of private property "for public use" which would give it jurisdiction, or that the Court of Claims would agree with the holding of the Court below that the Act authorized the "taking" and publication of the owner's trade secrets, contrary to the general law, or that adequate compensation could be obtained for the unique rights of inestimable value destroyed through administrative whim or fiat.

Thus, the Court of Appeals decision of June 9, 1958, is just as erroneous as its prior decision of September 19, 1957, and is equally unpalatable to the scientific community of the nation. The concern of the scientists and engineers reflected in the Briefs of the *Amici Curiae* filed in support of the Petitioner's previous Petition for a Writ of Certiorari obviously applies equally to the present decision, as is also indicated by the editorial appearing in "CHEMICAL WEEK" (published by McGraw-Hill Publishing Co., not associated with either Amicus) for **July 26, 1958,** p. 21 which stated as follows: (emphasis supplied)

> "Jerome S. Spevack's attorneys are currently preparing their case for a new and, most likely, final appearance before the U. S. Supreme Court.

At stake: Spevack's patent rights as the inventor of a heavy-water and deuterium process and, **of broader significance, the rights of future private inventors whose discoveries may be classified by the Atomic Energy Commission.**

"Recognizing the significance of the case—in which Spevack seeks a permanent injunction barring AEC disclosure of his patent application—both the American Chemical Society (ACS) and The Engineers Joint Council filed amicus curiae briefs in support of Spevack's earlier appeal to the Supreme Court.

* * *

"ACS backs up Spevack's arguments, and the joint council goes so far as to say that **"the issues involved affect the welfare and security of our country's engineers and scientists . . ."** The question, in the eyes of the Joint Council: "Under the Atomic Energy Act, does an inventor who complies with the act (by turning over strategic material and information to the government) forfeit his rights under the patent act, which ensures confidential treatment?"

"The case has been lengthy and complicated, having already been heard in three different courts. **The legal technicalities, however, must not be permitted to obscure the fundamental issue: the rights of an individual caught up on the toils of bureaucracy.**

H. C. E. JOHNSON,
Editor-in-Chief"

and by the article appearing at page 46 of this same issue, headed

"The broadly significant case of Jerome S. Spevack is now entering its final and most critical round, and the outcome is likely to provide a benchmark for future relationships between individual inventors and the U. S. Government."

In these days, when scientists and engineers are urgently needed in the race for national survival, it is imperative that their rights be respected, and that their incentives be strengthened through such respect. These considerations and the principles concerned (involving basic guarantees of the 5th, 9th and 10th Amendments to the Constitution, intended to be accorded by our form of government) are submitted to be of such importance as to warrant, and even demand the attention of this Court.

2. Under the Constitution Congress Can Dispose Only of "Property Belonging to the United States", and Therefore Could Not Delegate Any Greater Authority to the Respondents, and a Writ Should Issue to Correct the Contrary Ruling of the Court of Appeals.

The Court of Appeals ruled "We now hold that the Constitution does not forbid the publication" (of the Petitioner's trade secrets). In so ruling, the Court of Appeals overlooked the fact that the invention sought to be published is the *property of the Petitioner,* not property of the United States.

Article IV, Sec. 3 of the Constitution, expressly delegates to Congress the "Power to dispose of . . . Property belonging to the United States". The Ninth and Tenth Amendments to the Constitution provide:

> *Amendment IX*—"The enumeration in the Constitution, of certain rights shall not be construed to deny or disparage others retained by the people."
>
> *Amendment X*—"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people."

These amendments clearly establish that the right to dispose of property belonging to a citizen (or to a

State) is reserved to the citizen (or State) owning it. Therefore Congress has no power to dispose of property not belonging to the United States, and could not legally authorize the Respondents to do so.

This Court has previously recognized that before property not belonging to the United States can be "disposed of" by the United States, it must be acquired by the United States either by purchase or by eminent domain taking with provision for compensation or in other lawful manner. Thus, in *Ashwander v. Tennessee Valley Authority,* 297 U.S. 288, at 300, Chief Justice Hughes stated:

> "Authority to dispose of property *constitutionally acquired by the United States* is expressly granted to Congress by section 3 of Article 4 of the Constitution."
>
> ". . . To the extent that the power of disposition is thus *expressly* conferred, it is manifest that the Tenth Amendment is not applicable. And the Ninth Amendment (which Petitioner's also involves), *in insuring the maintenance of the rights retained by the people,* does not withdraw the rights which are *expressly* granted to the federal government." (emphasis supplied)

Congress has repeatedly recognized in various statutory enactments the constitutional limitation on its power to dispose of private property and property rights, and the right of a citizen to the protection of his trade secrets;

1. In establishing the Federal Trade Commission, Congress provided in 15 U.S.C. 46, in part, that:

> "The Commission shall also have power . . . to make public from time to time such portions of the

information obtained by it hereunder, *except trade secrets . . .*" (emphasis supplied)

2. In establishing the United States Tariff Commission, Congress provided in 19 U.S.C. 1335, in part, that:

> "It shall be *unlawful* for any member of the Commission . . . or any other officer or employee of the United States, *to divulge,* or to make known in any manner whatever not provided for by law, to any person, the *trade secrets or processes* of any person, firm . . . embraced in any examination or investigation conducted by the Commission . . ." (emphasis supplied)

3. On June 25, 1948 the provisions of 19 U.S.C. 1335 were incorporated into and replaced by 18 U.S.C. Sec. 1905 (U.S. Criminal Code) in which Congress provided, in part, that:

> "*Whoever, being an officer or employee of the United States* or of any department or agency thereof, *publishes, divulges, discloses, or makes known in any manner* or to any extent not authorized by law any *information coming to him . . . which* information *concerns or relates to the trade secrets, processes* . . . of any person, firm . . . shall be fined not more than $1000, or imprisoned for not more than one year, or both; and shall be removed from office or employment." (emphasis supplied)

4. In guaranteeing secrecy of information to the inventor who cooperates in the objectives of Article 1, Section 8 of the Constitution "to promote the progress of science and useful arts" Congress provided under 35 U.S.C. 122 of the Patent Laws that:

> "*Applications for patents shall be kept in confidence* by the Patent Office and no information

> concerning the same given without authority of the applicant or owner . . ." (Emphasis supplied)

In connection with the foregoing, Respondents themselves, in the several Agreements for Cooperation for Civil Uses of Atomic Energy entered into under the Atomic Energy Act have recognized and set out specifically their lack of authority to disclose privately owned information. These agreements, in most instances, have been executed on behalf of the United States by various ones of the Respondents personally. Typical examples of this acknowledgement by Repondents are Article I(D) of the "Agreement for Cooperation on Civil Uses of Atomic Energy between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland" (TIAS 3321, June 15, 1955), and Article III(C) of the "Agreement for Cooperation between the Government of the United States of America and the Government of the Federal Republic of Germany concerning Civil Uses of Atomic Energy" (TIAS 3877, July 3, 1957), which provide in each instance:

> "This Agreement shall not require the exchange of any information which the Parties are not permitted to communicate because the information is privately owned or has been received from another government."

It is therefore apparent that the lower Court was in error in sanctioning Respondents' proposed disposal of property not owned by them or by the United States; that such ruling is in conflict with the Constitution and all precedent; and that therefore the issuance of a writ is warranted.

3. The Writ Should be Granted Because the Erroneous Decision of the Court of Appeals Proclaims in Effect That Government Officers May Ignore Plain Limitations on Their Statutory Authority

The Decision of the Court of Appeals in ruling, inter alia, in substance that the Respondents have the authority to affect dissemination or publication of information entrusted to them in confidence without regard to the rights of the private owners thereof, ignores the specific statutory limitations of the Atomic Energy Act of 1954.

In this connection, Congress, in its "Findings" (Sec. 2b, 42 U.S.C. 2012b),[5] found only the power to permit "the property of the United States to be used by others". This provisions does not include Petitioner's invention here involved or his personal property rights relating thereto, since such are **not property of the United States.** (Complaint, paras. 2, 18b, R. 1, J.A. 1)

To effectuate the policies set forth in Section 1b of the Act (42 U.S.C. 2011b), among others, Congress provided authority for "a program for the dissemination of *unclassified* scientific and technical information . . . subject to appropriate safeguards" (Sec. 3b, 42 U.S.C. 2013b). However, Petitioner's information is *not unclassified* but is *secret* and was confidently disclosed to Respondents not only under an agreement expressly reserving Petitioner's proprietary rights (Complaint, Par. 2, R. 1, J.A. 1) but also under 35 U.S.C. 181 which bound Respondents to the secrecy provisions of 35 U.S.C. 122 (Complaint

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[5] All statutory references and federal regulations mentioned in this reason are set forth in Appendix A, infra.

paras. 4, 5, 18d (R. 1, J.A. 1). The statutory confidential relationship between the Petitioner, the Patent Office and the Respondents is further emphasized in the Code of Federal Regulations governing the practice and procedure in the Patent Office (C.F.R. Title 37, Secs. 1.14 and 5.1), and in the pledges of the Access Acknowledgement required by the Patent Office (Appendix G, *infra,* p. 20a).

Respondents' authority with respect to the "Control of Information" is clearly set forth in Chapter 12 of the Act where it is specifically limited to (1) "the dissemination and declassification of Restricted Data . . ." (Sec. 141, 42 U.S.C. 2161), subject to the further limitation, (2) that "The Commission shall be guided" by the principle that "the dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged . . ." (Sec. 141b, 42 U.S.C. 2161b), and in furtherance whereof it is provided (3) that "The Commission shall from time to time determine the data, within the definition of Restricted Data, which can be published . . . and shall cause such data to be declassified and removed from the category of Restricted Data" (Sec. 142a, 42 U.S.C. 2162a). Then, so that there might be no mistake that Respondents powers do not exceed the limited authority thus expressly delegated, Congress further provided that "the Commission shall have no power to control . . . the dissemination of information other than as granted by this or any other law" (Sec. 146b, 42 U.S.C. 2166b).

Sections 123, 141 and 173 of the Act (42 U.S.C. 2153, 2161 and 2223) give the Respondents limited authority to communicate to parties in privity with them, including foreign nations, in confidence, in-

formation contained in privately owned U. S. patent applications where such information falls within the limited category of "Restricted Data" as defined in the Act. But Petitioner's processes do not now and never did properly fall within that limited category, and even if such information had at one time been properly so classified, Respondents removed it therefrom as soon as they exercised their limited authority (Sec. 2b, 42 U.S.C. 2014b),[5] found only the power to to "cause such data to be declassified and removed from the category of Restricted Data" under Sec. 142a of the Act (42 U.S.C. 2162a).

More specifically, the Petitioner's invention does not fall within the category of "Restricted Data" as defined in Section 11r of the Act (42 U.S.C. 2014r) because:

(1) Petitioner's or any other method for concentration of the lower atomic weight isotopes does not concern "the design, the manufacture or utilization of atomic weapons" or "the production of special nuclear materials, or the use of special nuclear material in the production of energy", and (2) is specifically excluded from the category of "Restricted Data" since it was of material "declassified . . . pursuant to Section 142" of the Act. Furthermore, although by Petitioner's invention Respondents have produced heavy water (also producible by other processes) this product does not fall within the definition of "Special Nuclear Material" as defined in the Act (Sec. 11t, 42 U.S.C. 2014t).

Petitioner's invention here involved relates to an improved mode of conducting the publicly known dual temperature method of isotope concentration, which method is but one of at least four different

industrial processes that have been used by Respondents and others to produce heavy water. All of these other processes are already well known to the public. The importance and value of Petitioner's invention here concerned and a reason why it was chosen for production purposes by the U. S. Atomic Energy Commission rests largely in its economic advantages over other procedures.

It is apparent that Congress intended to conform to the Constitutional limit on the power of the Government to dispose only of **property of the United States** because Congress specifically authorized the Atomic Energy Commission "In the performance of its functions" to "acquire" and "purchase . . . personal property, including patents, . . . on behalf of the United States . . . and dispose of such property as provided in this Act." (Sec. 161g, 42 U.S.C. 2201g). Furthermore, Congress expressly provided for such acquisition of personal property in strict conformity with the Fifth Amendment to the Constitution when they "authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act . . ." (Sec. 261, 42 U.S.C. 2017). Only after personal property or property rights have been acquired by the United States can Respondents dispose of same. Respondents cannot exercise mere fiat to "take" such property under the limited authority conferred by the Act.

Respondents have refused to take steps which would **"encourage"** and **"permit"** Petitioner to adequately protect his property here involved so as to enable him to publish the information at the earliest possible date. Furthermore, Respondents have never made

any attempt to purchase Petitioner's property right of first publication here involved on behalf of the United States pursuant to the authority delegated in Section 161g, 42 U.S.C. 2201g.

It is of vital importance to the functioning of our government based on law that government agents not abuse or extend their limited authority conveyed to them by Congress. This Court clearly announced the responsibility of government officers in this regard when in *Peters* v. *Hobby,* 75 S. Ct. 790, 349 U.S. 381, 99 L. ed. 1129, it said:

> "Agencies whether created by statute or executive order must of course be free to give reasonable scope to terms conferring their authority. But they are not free to ignore plain limitations on such authority."

The Court of Appeals' interpretation of Respondents limited authority to include the authority to dispose of privately owned property without consent of the owner is a flagrant miscontruction of the Act, which should of course be construed so as to not do violence to the Constitution. As such, it warrants the issuance of a Writ of Certiorari.

4. The Writ Should be Granted Because the Court of Appeals Has Failed to Carry Out the Mandate of This Court "to Determine in Light of the Amended Complaint, the Issues Raised by Petitioner's Appeal".

The court below, after entry of the amended complaint as directed by this Court, (1) reiterated its prior ruling that "Congress has authorized this sort of publication", (2) stated "We now hold that the Constitution does not forbid the publication", (3) ruled "Appellant's amended complaint therefor

fails to state a claim on which relief can be granted", and (4) ordered "The case is remanded to that Court (the District Court) with instructions to dismiss the complaint."

Neither the Opinion nor the Judgment of June 9, 1958 rested the Order to dismiss on "lack of jurisdiction". Assuming the Court of Appeals meant what it said, "Appellant's amended complaint therefore fails to state a claim on which relief can be granted", and meant to refrain from directing the District Court to dismiss the case on jurisdictional grounds, then the Court below failed to follow the mandate of this Court "to determine in the light of the amended complaint, the issues raised by Petitioner's appeal" in that it failed to decide the issue of mootness, which was an important issue raised by Petitioner's appeal. Thus the Court of Appeals failed to render its opinion on each of the issues before it for the consideration of this Court in its determination of whether to grant Certiorari, and in its ruling on the case if it saw fit to do so. This failure to follow the Mandate of this Court is in itself a sufficient reason to grant the Writ.

5. This Case Is Not "Moot"; (A) the Conclusion of Mootness of the District Court, Not Ruled Upon by the Court of Appeals, Represents a Gross Miscarriage of Justice Warranting Exercise of This Court's Power of Supervision of the Federal Judiciary; (B) Respondents' Pleadings in This Court so Indicate; (C) The Recent Publication, Without Petitioner's Consent, of a Part of Petitioner's Improved Processes Has Not Altered the Situation; (D) Unconsented Publication Is Not a Bar in Some Countries; (E) Unconsented Publication Does Not Relieve Confidant of Obligations.

(A)

Petitioner was not accorded a "hearing" in the District Court, as contemplated by F.R.C.P., Rule 65(a), which reads "Rule 65, Injunctions. (a) Preliminary; Notice. No preliminary injunction shall be issued without notice to the adverse party", in that he was refused the requested opportunity to cross-examine the affiants whose affidavits were presented (R. 61, 67, 68, J.A. 61, 67, 68). Cases hold that the provision for "notice" therein contemplates a "hearing" with the right to present oral testimony, *and* the right to cross-examine opposing witnesses. See 7 *Moore's Federal Practice,* 2nd Ed. par. 65.04(3), p. 1637, quoting from *Sims* v. *Greene,* C.C.A. 3, 1947, 161 F.2d 87, 88-89. See also, 3 *Barron and Holtzoff,* 1956 pocket part, par. 1433, p. 104, which states in part: ". . . Doubtful questions of law and fact should not be determined on affidavits on an application for preliminary injunction . . .", (citing cases) and 7 *Moore's Federal Practice,* 1638, which states: "On the hearing for the injunction . . . the court should normally be reluctant to decide controverted factual issues in favor of movant (or against him) on the basis of affidavits alone". This would seem to be particularly important unless some standard as to the

contents of the affidavits is required, such as that of F.R.C.P., Rule 56(e) Appendix A, *infra,* p. 9a) which the District Court failed to do. Otherwise, extremely important cases could be disposed of on Motion for Preliminary Injunction on flimsy affidavits, without the right of cross-examination. See 7 *Moore's Federal Practice,* p. 1640. This was vainly urged upon the Trial Court (R. 61, 67, 68, J.A. 61, 67, 68).

Even assuming arguendo that no hearing was required, and that the affidavits presented were competent, they did not prove the case moot. In many countries, as shown by the affidavits of Parker, Spevack and Houghton (R. pp. 72-78), there must be a publication *in* the country concerned, as distinguished from another country or countries, in order to destroy an inventor's right to obtain a patent in the country concerned. There was no showing of a publication in every country in the world, and thus no showing of complete mootness.

The District Court's conclusion of law was thus improperly founded upon a mere assumption of fact.

The extrapolation of conclusions of law dispositive of the case, if not reversed, from mere assumptions based on incompetent affidavits, and without a proper "hearing", represents a gross miscarriage of justice, warranting issuance of a writ.

(B)

The Respondents' memorandum filed in this Court on July 3, 1958 states in part:

> "The major purpose of this litigation has been to prevent publication of information . . . In this purpose, Petitioner has been successful."

It follows, of course, that if Petitioner's information had been published by Respondents prior to the instant suit, Petitioner's purpose to prevent such publication could not have been "successful" as admitted by Respondents.

John G. Hall, Acting Assistant General Manager for International Activities of the A.E.C., in an Affidavit (Appendix G. *infra,* p. 17a) filed with said memorandum, stated under oath:

> "That the temporary restraining orders . . . have precluded . . . disseminating considerable information on the subject of the dual temperature exchange process for the production of heavy water;

and refers to

> "the inability to disseminate and publish such information . . ."

It is now obvious, therefore, that there was still in the possession of the Respondents information concerning the improved processes involved in Petitioner's patent application as described in his complaint, within the scope of this Court's Orders, which admittedly had not been published prior to July 3, 1958. This was not known to the District Court because of the lack of a proper hearing, and that Court's ruling of mootness was thus clear error and resulted in a gross miscarriage of justice.

(C)

Apparently as the result of a dissemination initiated by the Respondents, and as the result of their failure to take steps necessary to prevent further dissemination in order to comply with the Orders of this Court,

a portion of the improved processes involved in Petitioner's patent application has been published without Petitioner's consent during July 1958 (see Petition for Discovery filed in this Court on August 25, 1958). Since this publication discloses only part of the subject matter of Petitioner's invention within the scope of this Court's Orders, it does not render this case moot.

(D)

Furthermore in a number of countries following British Law, an unconsented publication prior to the filing of a patent application is not a bar to the obtaining of a valid patent thereon. Thus, even as to the matter dealt with in the publication referred to in said Petition for Discovery, such publication does not render this case moot.

(E)

Finally, the Respondents are not relieved of their obligation to hold in confidence the Petitioner's invention disclosed to them, until the Petitioner himself makes a general publication of the subject matter concerned, or expressly or impliedly consents to its publication. cf. *Sandlin et al* v. *Johnson* (C.C.A. 8) 141 F(2d) 660, 61 U.S.P.Q. 71; *Du Pont* v. *Masland* (1917) 244 U.S. 100; *James* v. *Campbell* (1882) 104 U.S. 356, at 358. Hence, partial breach of confidence, if accomplished, does not render the Court powerless to grant relief against further breach of confidence.

6. A Grant of Discovery as Prayed Will Warrant Issuance of a Writ

If the Petition for Discovery filed in this Court by Petitioner on August 25, 1958 is to be granted, a Writ should issue to maintain in effect this Court's Order of July 3, 1958, and to aid this Court in taking appropriate action based not only on the facts thereby developed but also on the facts shown by the record herein.

CONCLUSION

Because the erroneous decisions below have in the respects above noted raised questions of great public interest, as well as questions of Constitutional interpretation and unconstitutionality of the Atomic Energy Act of 1954, the propriety of deciding mootness without a "hearing", and questions of law ancillary thereto, all of which should be settled by this Court, the Petition for a Writ of Certiorari should be granted.

Respectfully submitted,

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APPENDIX A

Constitutional Provisions, Statutes and Rules Involved

United States Constitution

Article 1, Section 8, reads in part as follows:

"The Congress shall have power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;" . . .

Article 4, Section 3, reads in part as follows:

"The Congress shall have Power to dispose of . . . Property belonging to the United States. . ."

Amendment V—Due Process Clause, reads in part as follows:

"No person shall . . be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation."

Amendment IX

"The enumeration in the Constitution of certain rights, shall not be construed to deny or disparage others retained by the people."

Amendment X

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Atomic Energy Act of 1954

August 30, 1954, c. 1073, Sec. 1; 68 Stat. 921 et seq.; 42 U.S.C. (Supp. IV) Sec. 2011 et seq.:

"CHAPTER 1. DECLARATION, FINDINGS, AND PURPOSE

"SECTION 1. (68 Stat. 921; 42 U.S.C. 2011) DECLARATION.—Atomic energy is capable of application for peaceful as well as military purposes. It is therefore declared to be the policy of the United States that—

* * *

"b. the development, use, and control of atomic energy shall be directed so as to promote world peace, improve the

general welfare, increase the standard of living, and strengthen free competition in private enterprise.

"SEC. 2. (68 Stat. 921; 42 U.S.C. Sec. 2012) FINDINGS.—The Congress of the United States hereby makes the following findings concerning the development, use, and control of atomic energy:

* * *

"b. In permitting the property of the United States to be used by others, such use must be regulated in the national interest and in order to provide for the common defense and security and to protect the health and safety of the public."

* * *

"SEC. 3. (68 Stat. 922; 42 U.S.C. 2013) PURPOSE.—It is the purpose of this Act to effectuate the policies set forth above by providing for—

* * *

"b. a program for the dissemination of unclassified scientific and technical information and for the control, dissemination, and declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress;

* * *

"f. a program of administration which will be consistent with the foregoing policies and programs, with international arrangements, and with agreements for cooperation, which will enable the Congress to be currently informed so as to take further legislative action as may be appropriate."

* * *

"CHAPTER 2. DEFINITIONS

"SEC. 11. (68 Stat. 922; 42 U.S.C. 2014) DEFINITIONS.—The intent of Congress in the definitions as given in this section should be construed from the words or phrases used in the definitions. As used in this Act:

* * *

"c. The term 'atomic energy' means all forms of energy released in the course of nuclear fission or nuclear transformation."

* * *

"r. The term 'Restricted Data' means all data concerning (1) design, manufacture, or utilization of atomic

weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the Restricted Data category pursuant to section 142."

* * *

"t. The term 'special nuclear material' means (1) plutonium, uranium enriched in the isotope 233 or in the isotope 235, and any other material which the Commission, pursuant to the provisions of section 51, determines to be special nuclear material, but does not include source material; or (2) any material artificially enriched by any of the foregoing, but does not include source material."

* * *

"CHAPTER 11. INTERNATIONAL ACTIVITIES

"SEC. 123. (68 Stat. 940; 42 U.S.C. 2153) COOPERATION WITH OTHER NATIONS.—No cooperation with any nation or regional defense organization pursuant to . . . (Section) 144 shall be undertaken until—

"a. the Commission . . . has submitted to the President the proposed agreement for cooperation . . . which . . . shall include . . . (4) a guaranty by the cooperating party that any material or any Restricted Data to be transferred pursuant to the agreement for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement for cooperation;

"b. the President has approved and authorized the execution of the proposed agreement for cooperation . . . ; and

"c. the proposed agreement for cooperation, together with the approval and the determination of the President, has been submitted to the Joint Committee (on Atomic Energy). . .

* * *

"CHAPTER 12. CONTROL OF INFORMATION

"SEC. 141. (68 Stat. 940; 42 U.S.C. 2161) POLICY.—It shall be the policy of the Commission to control the dissemination and declassification of Restricted Data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:

* * *

"b. The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific and industrial progress and public understanding and to enlarge the fund of technical information."

"SEC. 142. (68 Stat. 941; 42 U.S.C. 2162) CLASSIFICATION AND DECLASSIFICATION OF RESTRICTED DATA.—

"a. The Commission shall from time to time determine the data, within the definition of Restricted Data, which can be published without undue risk to the common defense and security and shall thereupon cause such data to be declassified and removed from the category of Restricted Data.

* * *

"SEC. 144. (68 Stat. 942; 42 U.S.C. 2164) INTERNATIONAL COOPERATION.—

"a. The President may authorize the Commission to cooperate with another nation and to communicate to that nation Restricted Data . . . *Provided, however,* . . . That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123. . .

* * *

"SEC. 146. (68 Stat. 943; 42 U.S.C. 2166) GENERAL PROVISIONS.—

"a. Sections 141 to 145, inclusive, shall not exclude the applicable provisions of any other laws, except that no Government agency shall take any action under such other laws inconsistent with the provisions of those sections."

"b. The Commission shall have no power to control or restrict the dissemination of information other than as granted by this or any other law."

* * *

"CHAPTER 14. GENERAL AUTHORITY

"SEC. 161. (68 Stat. 948; 42 U.S.C. 2201) GENERAL PROVISIONS.—

"In the performance of its functions the Commission is authorized to—

* * *

"g. acquire, purchase, lease, and hold real and personal property, including patents, as agent of and on behalf of the United States, subject to the provisions of section 174, and to sell, lease grant, and dispose of such real and personal property as provided in this Act:

* * *

"CHAPTER 15. COMPENSATION FOR PRIVATE PROPERTY ACQUIRED

"SEC. 173. (68 Stat. 953; 42 U.S.C. 2223) PATENT APPLICATION DISCLOSURES.—

"In the event that the Commission communicates to any nation any Restricted Data based on any patent application not belonging to the United States, just compensation shall be paid by the United States to the owner of the patent application. The Commission shall determine such compensation. If the compensation so determined is unsatisfactory to the person entitled thereto, such person shall be paid 75 per centum of the amount so determined, and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States for the district in which such claimant is a resident in a manner provided by section 1346 of Title 28 of the United States Code to recover such further sum as added to such 75 per centum will constitute just compensation."

* * *

"CHAPTER 19. MISCELLANEOUS

"SEC. 261. (68 Stat. 960; 42 U.S.C. 2017) APPROPRIATIONS.—

"There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act except such as may be necessary for acquisition or condemnation of any real property or any facility . . ."

Patent Act of 1952

"SEC. 122. CONFIDENTIAL STATUS OF PATENT APPLICATIONS.—Applications for patents shall be kept in confidence by the Patent Office and no information concerning the same given without authority of the applicant or owner unless necessary to carry out the provisions of any Act of

Congress or in such special circumstances as may be determined by the Commissioner [of Patents]" (July 19, 1952, c. 950, sec. 1, 66 Stat. 801; 35 U.S.C. 122).

* * *

"SEC. 181. SECRECY OF CERTAIN INVENTIONS AND WITHHOLDING OF PATENT.—. . . Whenever the publication or disclosure of an invention by the granting of a patent, in which the Government does not have a property interest, might, in the opinion of the Commissioner [of Patents] be detrimental to the national security, he shall make the application for patent in which such invention is disclosed available for inspection to the Atomic Energy Commission, . . .

Each individual to whom the application is disclosed shall sign a dated acknowledgement thereof, which acknowledgement shall be entered in the file of the application. If, in the opinion of the Atomic Energy Commission the publication or disclosure of the invention by the granting of a patent therefor would be detrimental to the national security, the Atomic Energy Commission, . . . shall notify the Commissioner [of Patents] and the Commissioner [of Patents] shall order that the invention be kept secret and shall withhold the grant of a patent for such period as the national interest requires, and notify the applicant thereof . . .

. . . The Commissioner [of Patents] may rescind any order upon notification by the heads of the departments and the chief officers of the agencies who caused the order to be issued that the publication or disclosure of the invention is no longer deemed detrimental to the national security." (July 19, 1952, c. 950, Sec. 1, 66 Stat. 805; 35 U.S.C. 181)

* * *

"SEC. 184. FILING OF APPLICATION IN FOREIGN COUNTRY.—Except when authorized by a license obtained from the Commissioner a person shall not file or cause or authorize to be filed in any foreign country prior to six months after filing in the United States an application for patent or for the registration of a utility model, industrial design, or model in respect of an invention made in this country. A license shall not be granted with respect to an invention subject to an order issued by the Commissioner pursuant to section 181 of this title without the concurrence of the head of the departments and the chief officers of the agen-

cies who caused the order to be issued." (July 19, 1952, c. 950, 66 Stat. 806; 35 U.S.C. 184)

* * *

Code of Federal Regulations

Title 37, part 1 (Title 35—Patents, Appendix, U.S.C. (Supp. IV), p. 2318)

SECTION 1.14. PATENT APPLICATIONS PRESERVED IN SECRECY

"a) Pending patent applications are preserved in secrecy. No information will be given by the Office respecting the filing by any particular person of an application for a patent, the pendency of any particular case before it, or the subject matter of any particular application, nor will access be given to or copies furnished of any pending application or papers relating thereto, without written authority of the applicant, or his assignee or attorney or agent, unless it shall be necessary to the proper conduct of business before the Office or as provided by this part.

"b) Abandoned applications are likewise not open to public inspection, except that if an application referred to in a United States patent is abandoned and is available, it may be inspected or copies obtained by any person on written request, without notice to the applicant. Abandoned applications may be destroyed after twenty years from their filing date, except those to which particular attention has been called and which have been marked for preservation. Abandoned applications will not be returned.

"c) Applications for patents which disclose or which appear to disclose, or which purport to disclose, inventions or discoveries relating to atomic energy are reported to the Atomic Energy Commission and the Commission will be given access to such applications, but such reporting does not constitute a determination that the subject matter of each application so reported is in fact useful or an invention or discovery or that such application in fact discloses subject matter in categories specified by sections 151(c) and 151(d) of the Atomic Energy Act of 1954, 68 Stat. 919; 42 U.S.C.A. 2181."

Code of Federal Regulations

Title 37, Part 5 (Title 35—Patents, U.S.C. (Supp. IV), p. 2039)

SECTION 5.1. DEFENSE INSPECTION OF CERTAIN APPLICATIONS

"In accordance with the provisions of 35 U.S.C., section 181, applications for patent containing subject matter the disclosure of which might be detrimental to the national security are made available for inspection by defense agencies as specified in said section . . . Such inspection must be at the Patent Office and by responsible representatives of the agency who are required to sign a dated acknowledgment of such access accepting the condition that information obtained from the inspection will be used for no other purpose than in the administration of sections 181-188 of Title 35 U.S. Code. Applications relating to atomic energy are made available to the Atomic Energy Commission as specified in section 1.14 of this chaper (Patent Rule 14)."

Title 18 United States Code—Crimes and Criminal Procedure

CHAPTER 93. PUBLIC OFFICERS AND EMPLOYEES

SECTION 1905. DISCLOSURE OF CONFIDENTIAL INFORMATION GENERALLY

"Whoever, being an officer or employee of the United States or of any department or agency thereof, publishes, divulges, discloses, or makes known in any manner or to any extent not authorized by law any information coming to him in the course of his employment or official duties or by reason of any examination or investigation made by, or return, report or record made to or filed with, such department or agency or officer or employee thereof, which information concerns or relates to the trade secrets, processes, operations, style of work, or apparatus . . . of any person, firm, partnership, corporation, or association; . . . shall be fined not more than $1,000, or imprisoned not more than one year, or both; and shall be removed from office or employment. June 25, 1948, c. 645, 62 Stat. 791."

• • •

Federal Rules of Civil Procedure

Rule 56. SUMMARY JUDGMENT.

"(e) "FORMS OF AFFIDAVITS; FURTHER TESTIMONY. Supporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein. Sworn or certified copies of all papers or parts thereof referred to in an affidavit shall be attached thereto or served therewith. The court may permit affidavits to be supplemented or opposed by depositions or by further affidavits."

APPENDIX B

No. 13834

Decided September 19, 1957

Messrs. Carleton U. Edwards, II, Joseph Y. Houghton and *Bernard Margolius* submitted on the brief for appellant.

Messrs. Oliver Gasch, United States Attorney, and *Lewis Carroll* and *E. Riley Casey,* Assistant United States Attorneys, submitted on the brief for appellees.

Before EDGERTON, *Chief Judge,* and WILBUR K. MILLER and BURGER, *Circuit Judges.*

EDGERTON, *Chief Judge:* The appellant's complaint asked the District Court to enjoin the defendants, who are the members of the United States Atomic Energy Commission, and to enjoin also the "officers, agents, servants and employees, and anyone associated with or acting in concert or participation with said defendants, and their successors in office", from disclosing "the heretofore unpublished features" of appellant's patent application No. 188,925, which pertains to the production of heavy water and other isotopes. The complaint says such publication would defeat patent applications appellant plans to file in various foreign countries; that a "secrecy order" of the Commission formerly prohibited appellant from filing those applications; that if appelant had been able to file them within one year after he filed his patent application in the United States, in most countries his filing would have been regarded as "running from the date of" his United States application; and that the Commission has now rescinded the secrecy order and declassified the entire subject of

the preparation of heavy water, including the plaintiffs patent application.

The District Court denied an injunction on the ground that previous publications had made the plaintiff's claim moot. We do not reach the question of mootness.

Though the complaint says the defendants "are sued only in their individual capacities", it is plain that the injunction the appellant seeks would, if valid restrain the United States Atomic Energy Commission from taking certain action. It is also plain that Congress authorized the Commission to take action of this general sort; *i.e.*, to disseminate technical information in the field of atomic energy. Congress did not leave the matter to implication. It expressly stated its intention to provide "a program for the dissemination of unclassified scientific and technical information and for the control, dissemination, and declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress . . . It shall be the policy of the Commission to control the dissemination and declassification of Restricted Data in such a manner as to assure the common defense and security. . . . The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged . . ." 42 U.S.C. (Supp. IV) §§ 2013(b), 2161, 2161(b).

The legal theory asserted in appellant's complaint is that the "Defendants having received confidential disclosure of the subject matter of the said application have no right to publish the same or any reports dealing with such confidentially disclosed subject matter"; also, that "defendants having prevented the plaintiff from pursuing his right to apply for foreign patents . . . and having by said Classification and Secrecy Order prevented the plaintiff from even effectively negotiating for financing of such applications, are in equity and good conscience bound, on removing such classification and secrecy order, to make no publication even of information, if any, that they might otherwise have a right to publish, that would prevent the plaintiff from pursuing his remaining rights to seek foreign patents corresponding to said application, at least until the plaintiff has had a reasonable time in which to arrange for financing and pursuit of such rights."

The appellant has not "set out in his complaint the statutory limitation", if any, which might indicate that if, as

he claims, a publication would violate his rights, it would also exceed the Commission's authority.[1] In effect the complaint comes only to this, that the Commission should be restrained because it is about to err, to the appellant's damage, in exercising its authority. Accordingly we cannot distinguish this case from the *Larson* case, in which the Supreme Court held that the courts lacked jurisdiction. As in *Larson*, the United States has not consented to be sued; and like *Larson*, this is not a case "in which the statute or order conferring power upon the officer to take action in the sovereign's name is claimed to be unconstitutional." *Larson* v. *Domestic & Foreign Corp.*, 337 U.S. 682, 690. The complaint makes no such claim. Neither does appellant's "Statement of questions presented", in his brief on this appeal.[2]

We think the District Court erred in rejecting the government's contention that the suit is against the United States. We therefore remand the case with instructions to dismiss the complaint for lack of jurisdiction. *State of Arizona* v. *Hobby*, 94 U.S. App. D.C. 170, 221 F. 2d 498.

Remanded.

Before: EDGERTON, Chief Judge, and WILBUR K. MILLER and BURGER, Circuit Judges.

Judgment

THIS CAUSE came on to be heard on the record from the United States District Court for the District of Columbia, and was submitted on the briefs of the parties.

ON CONSIDERATION WHEREOF, It is ordered and adjudged by this Court that the judgment of the said District Court appealed from in this cause be, and the same is hereby, set aside, and that this cause be, and it is hereby, remanded

---

[1] He now makes, but the complaint does not, the paradoxical suggestion that the Commission is authorized to publish *only* classified or restricted information.

[2] His reply brief does seek to raise a constitutional question. It says: "For the Commission to effect dissemination of privately owned secret information without provision for compensation would be a wanton violation of plaintiff's rights under the due process clause of the Fifth Amendment of the Constitution. If the Atomic Energy Act purported to confer any such authority on the Commission, it would be unconstitutional." But if the District Court lacked jurisdiction of the complaint, arguments made here cannot supply it.

to the said District Court with instructions to dismiss the complaint for lack of jurisdiction.
Dated: September 19, 1957.

Per Chief Judge EDGERTON

APPENDIX C

Amendments to Complaint

With the approval of the Court, the Complaint in this cause is hereby amended by interlineation as follows:
(*Amendment to be added at the end of numbered paragraph 1 of the complaint*)

"This Court has jurisdiction of this action also because the contemplated acts sought to be enjoined herein are not acts which the defendants are authorized to perform in their official capacity as agents for and on behalf of the United States, in that either such contemplated acts are not within the limits of authority conferred on the defendants by the Atomic Energy Act of 1954 (Public Law 703, 83rd Cong., Approved Aug. 30, 1954; C. 1073, 68 Stat. 921; 42 U.S. Code Secs. 2011-2281), or in that said Act, if construed to confer such authority on the defendants, as applied to the facts of this case, is unconstitutional as a deprivation of private property without provision for compensation therefor, in violation of the Due Process clause of the Fifth Amendment to the Constitution of the United States, as hereinafter more fully appears."

(*New paragraph 18 to be added following numbered paragraph 17 of the complaint*)

"18. (The contemplated publication is not constitutionally authorized by statute). The statutory authority of the defendants is defined by the Atomic Energy Act of 1954. That Act does not authorize the defendants to "publish" a private citizen's invention disclosed to defendants in confidence and destroy property rights of the private owner thereof without the owner's consent, as is here involved. It does not provide for compensation for such publication and destruction. In more detail:

(a) The Act grants to the defendants broad powers to use, and to communicate privately to others for use, under

suitable safeguards and for certain purposes, "Restricted Data" (Sec. 141; 42 U.S.C. 2161), and provides for compensation for such use and for damages flowing from such private communication (Sec. 173; 42 U.S.C. 2223); however, it limits "Restricted Data" to data that has not been declassified and removed from the category of "Restricted Data", as has the plaintiff's invention (Sec. 11r; 42 U.S.C. 2014r).

(b) The Act grants to the defendants power to permit "property of the United States" to be used by others under suitable safeguards (Sec. 2b, Sec. 3, 42 U.S.C. 2012b, 2013; etc.); however, the invention here concerned is not property of the United States.

(c) The Act declares the policy of the United States in granting certain authority to the defendants to be that they shall direct their activities so as to "strengthen free competition in private enterprise" (Sec. 1b; 42 U.S.C. 2011(b), not so as to destroy property acquired by free enterprise. Its purpose in providing for a "program for the dissemination of unclassified scientific and technical information" (Sec. 3b); 42 U.S.C. 2013b is stated to be to effectuate the policies (*inter alia*, to permit use of "property of the United States" and to "strengthen free competition in private enterprise") set forth in Sections 1 and 2 of the Act. 42 U.S.C. 2011, 2012.

(d) With respect to unclassified scientific and technical information which is the property of a private citizen, the Act authorizes the defendants only to "permit" (the private owner) and "encourage" (the private owner) to disseminate the same (Sec. 141b; 42 U.S.C. 2161b) and specifies that the defendants shall determine what Restricted Data "can be published" (by the owner thereof) and *"shall thereupon cause such data to be declassified and removed from the category of Restricted Data"* (Sec. 142a). (42 U.S.C. 2162(a)) The Act does not in this connection say that the defendants—shall publish—or even that they—may publish—the declassified data without regard to the property rights of a private citizen therein, but to the contrary specifies that the determination of what "can be published" shall be subject to the applicable provisions of any other laws (such as the undertaking by the Government that the Patent Office (and those in privity

with it) shall maintain patent applications secret under Sec. 122 of the Patent Act of 1952, 35 U.S. Code, Sec. 122), and specifies that the defendants "shall have no power to control or restrict the dissemination of information other than that granted by this or any other law" (Sec. 146). 42 U.S.C. 2166

(e) The limited authority conferred by Sections 141-146 (42 U.S.C. 2161-2166) of the Act does not imply that the defendants, entrusted with a privately owned invention, "shall publish" the invention without regard to the property rights of the owner thereof. The Act does not provide for compensation for any such publication; hence properly construed it does not authorize such publication; or if construed to authorize such publication merely because it does not expressly prohibit the same, it is to that extent, as applied to this controversy, unconstitutional as a deprivation of property without due process of law or provision for compensation therefor, under the due process clause of the Fifth Amendment to the Constitution of the United States."

/s/ JEROME S. SPEVACK
Jerome S. Spevack

* * *

DISTRICT OF COLUMBIA, SS:

Jerome S. Spevack, being first duly sworn, on oath, deposes and says that he is the appellant in this action, that he has read the foregoing Amendments to Complaint, and that the matters and things therein set forth are true to the best of his knowledge, information and belief.

/s/ JEROME S. SPEVACK
Jerome S. Spevack
(Jurat)

APPENDIX D

No. 13834

On Remand by the Supreme Court

Decided June 9, 1958

Messrs. Carleton U. Edwards, II, Joseph Y. Houghton

Messrs. Oliver Gasch, United States Attorney, and *Lewis Carroll* and *E. Riley Casey*, Assistant United States Attorneys, for appellees.

Before EDGERTON, *Chief Judge*, and WILBUR K. MILLER and BURGER, *Circuit Judges*.

EDGERTON, *Chief Judge:* Appellant seeks to restrain the members of the Atomic Energy Commission from publishing certain material. The facts are stated in *Spevack* v. *Strauss*, 101 U.S.App.D.C. 339, 248 F. 2d 752, decided September 19, 1957. After that decision, appellant moved for leave to amend his complaint. We denied the motion and denied a petition for rehearing. The Supreme Court granted *certiorari*, vacated our judgment and orders, and remanded the cause to us with instructions "(1) to allow petitioner's proposed amendments to the complaint and (2) to determine, in light of the amended complaint, the issues raised by petitioner's appeal." *Spevack* v. *Strauss*, 355 U.S. 601.

The amended complaint says the proposed publication is unauthorized, and also that it would deprive appellant of property without compensation in violation of the Fifth Amendment. The original complaint raised no constitutional question.

In our former opinion we pointed out that Congress has authorized this sort of publication. We now hold that the Constitution does not forbid the publication. In determining this issue we need not pass upon appellant's contention that the publication will be a taking of his property for which compensation must be paid. For the Court of Claims has "jurisdiction to render judgment upon any claim against the United States founded either upon the Constitution or any Act of Congress . . . ." 28 U.S.C. § 1491 (Supp. V). "Where the action against which specific relief is sought is a taking or holding of the plaintiffs' property, the availability of a suit for compensation against the sovereign will defeat a contention that the action is unconstitutional as a violation of the Fifth Amendment." *Larson* v. *Domestic & Foreign Corp.*, 337 U.S. 682, 697, fn. 18. "[I]f the authorized action in this instance does constitute a taking of property for which there must be just compensation under the Fifth Amendment, the Government has impliedly promised to pay that compensation and has afforded a remedy for its recovery by a suit in

the Court of Claims. . . . . 'The Fifth Amendment does not entitle . . . [the owner] to be paid in advance of the taking' and the statute affords a plain and adequate remedy. . . .'' *Yearsley* v. *Ross Construction Co.*, 309 U.S. 18, 21. *United States* v. *Causby*, 328 U.S. 256.

Appellant's amended complaint therefore fails to state a claim on which relief can be granted. By Rule 15(c), F.R.Civ.P., the ''amendment relates back to the date of the original pleading.'' Accordingly we treat the appeal as though the amended complaint had been filed in the District Court. The case is remanded to that court with instructions to dismiss the amended complaint.

Remanded.

Judgment on Remand by the Supreme Court

Pursuant to judgment of the Supreme Court of the United States dated March 3, 1958, this case came on for reconsideration on the record from the United States District Court for the District of Columbia, on appellant's amended complaint, and on the memoranda filed by the parties subsequent to the remand.

On Consideration Whereof, it is ordered by the Court:

(1) that the Clerk transmit to the District Court a certified copy of appellant's amendments to the complaint, filed in this court April 16, 1958; and

(2) that this case be, and it is hereby, remanded to the District Court with instructions to dismiss the amended complaint.

Dated: June 9, 1958.

Per Chief Judge Edgerton.

APPENDIX E

IN THE SUPREME COURT OF THE UNITED STATES

October Term 1957

JEROME S. SPEVACK, PETITIONER

vs.

LEWIS L. STRAUSS, *et al.*, RESPONDENTS

Affidavit on Behalf of Respondents in Opposition to Motion for Preliminary Injunction or a Stay

STATE OF MARYLAND,
COUNTY OF MONTGOMERY *ss.*

John A. Hall, being duly sworn, deposes and says:

That he is the Acting Assistant General Manager for International Activities of the United States Atomic Energy Commission;

That the temporary restraining orders in the above-identified proceeding have precluded the United States Atomic Energy Commission from disseminating considerable information on the subject of the dual temperature exchange process for the production of heavy water;

That the inability to disseminate and publish such information has had an adverse effect on the United States Government's efforts in the Atoms for Peace program announced by President Eisenhower on December 8, 1953;

That an important facet of the United States Government's foreign policy as implemented through the Atoms for Peace program is the dissemination of scientific and technical information relating to the field of atomic energy, so as to promote and encourage the free interchange of ideas essential to scientific and industrial progress;

That scientific and technical information relating to heavy water became declassifiable pursuant to Atomic Energy Commission action in December of 1956, and it was announced publicly that such information would soon be available;

That in April 1957 at a conference in Amsterdam, the Netherlands, on isotopes separation processes, the United States delegation was seriously impeded by an inability to disseminate and discuss certain areas of information on the dual temperature exchange process for the production of

heavy water because of the aforesaid temporary restraining order;

That in the interval between April 1957 and the present the United States Atomic Energy Commission, because of its inability to effectively participate, has refrained from satisfying requests from numerous individuals, private organizations, foreign governments and regional organizations for participation of United States technical personnel in meetings or projects wherein heavy water technology was the subject for discussion and the presentation of United States *know-how* was anticipated;

That currently, two outstanding examples exist of activities in which U. S. participation would be in the national interest, but such participation will be negligible if a restraining order is in effect:

1. The Second International Scientific Conference on the Peaceful Uses of Atomic Energy to be held at Geneva, Switzerland, on September 1 through 13, 1958—One of the important topics to be presented at the Conference will be isotopes separation processes. The U. S. presentation will, by necessity, be considerably weakened if free discussion on all heavy water technology is not permitted. A number of other countries have submitted several papers within this general area for discussion, but with a restraining order in effect no U. S. delegates to the Conference would be able to participate effectively.

2. The Organization for European Economic Cooperation, of which the U.S. is an associate, is currently making a serious study concerning the possibility of constructing a heavy water plant to produce a minimum of 100 tons per year. Formal requests have been made to the United States Atomic Energy Commission for advice and guidance in evaluating this proposal and in determining what production process to utilize. The United States Atomic Energy Commission has not been able to fully cooperate in this activity and no U. S. personnel have accepted invitations to participate in the Study Group's work because of the existing restraining orders;

That for the above reasons, it is felt that the national interest demands that the U. S. be in position to participate

in the above and other discussions on all aspects of production of heavy water so as to show the technical progress made by the United States in such production.

/s/ JOHN A. HALL
John A. Hall

Subscribed and sworn to before me in the County of Montgomery, State of Maryland, this 2 day of July, 1958.

BATTAILLE S. POWER

APPENDIX F

Order

Upon consideration of the application of counsel for the petitioner and of the opposition of the Solicitor General thereto,

IT IS HEREBY ORDERED that Lewis L. Strauss, Harold S. Vance, Dr. Willard Libby, and Thomas Murray, and each of them, their officers, agents, servants, and employees, and all persons in active concert and participation with them, and their successors in office be, and the same are hereby, enjoined from the further promulgation or disclosures or from the communication or dissemination of prior disclosures, concerning the improved processes involved in petitioner's patent application as described in his complaint filed in the United States District Court for the District of Columbia.

This order is conditioned upon the timely filing of a petition for certiorari. Should such petition be timely filed, this stay is to continue pending action on said petition. In the event petition for certiorari is granted, the stay is to continue pending issuance of the judgment of this Court.

/s/ EARL WARREN
Chief Justice of the United States

Dated this 3rd day of July, 1958.

APPENDIX G

U. S. DEPARTMENT OF COMMERCE
UNITED STATES PATENT OFFICE

Washington

Re: Serial No.
Filed:
Inventor:

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As Required by

Title 35, United States Code (1952) Section 181

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Name Date Agency Represented

SUPREME COURT U. S.

SEP 30

JAMES R. BROWNING, Clerk

No. 339

IN THE

Supreme Court of the United States

OCTOBER TERM, 1958

JEROME S. SPEVACK, *Petitioner*

v.

LEWIS L. STRAUSS, ET AL., *Respondents*

BRIEF OF AMERICAN CHEMICAL SOCIETY AS AMICUS CURIAE IN SUPPORT OF PETITIONER'S PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

AMERICAN CHEMICAL SOCIETY

By

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OPINIONS BELOW

The District Court rendered no opinion on entering its Findings of Fact and Conclusions of Law, and Order Denying Petitioner's Motion for a Preliminary Injunction. (R. 17, J.A. 17).[1]

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[1] References herein to the Court of Appeals record consisting of 134 pages used in conjunction with the previous Petition for a Writ of Certiorari filed in this matter (No. 641, October Term, 1957) are denoted "(R. .....)". References to the Court of Appeals Record certified to this Court incident to this Petition are denoted "(NR. .....)".

A previous opinion of the Court of Appeals for the District of Columbia Circuit (Petitioner's Appendix B, page 9a) is reported at 248 F. 2d 752.

The opinion of the Court of Appeals for the District of Columbia Circuit, rendered June 9, 1958 (Petitioner's Appendix D, page 14a), which forms the subject matter of the petition herein is not yet officially reported.

JURISDICTION

The judgment of the Court of Appeals was entered on June 9, 1958. (Petitioner's Appendix D, page 16a). Petitioner's suggestion that the Court of Appeals should vacate its opinion and judgment contained in his "Answer to Order to Show Cause" (NR 47) which was filed on June 11, 1958, and which was similar to a Petition for Rehearing, was denied on June 24, 1958 (NR 53). The jurisdiction of this court is invoked under 28 U.S.C. Sec. 1254.

INTEREST OF THE AMICUS CURIAE

The American Chemical Society is a scientific and educational organization chartered by Act of Congress. Its membership, which includes Petitioner, embraces more than 80,000 chemists and chemical engineers engaged in the practice of their profession, all of whom are vitally interested in the issues presented in this case by the decision of the Court below.

This Amicus Curiae, through the submission of its brief herein, supports the petition for a writ of certiorari to the United States Court of Appeals for the District of Columbia Circuit to the end that that Court's decision be reviewed so that this Court may determine whether the Atomic Energy Act of 1954

(sometimes hereinafter called the "Act") authorizes the Atomic Energy Commission (sometimes hereinafter called the "Commission") to publish details of inventions revealed to it in confidence pursuant to statutory requirements, which inventions in turn are subjects of patent applications, without regard to rights of inventors in respect of their patent applications.

The importance of this question to members of the American Chemical Society cannot be overstated. Possibly in no other profession are so many engaged in both basic and applied research. From this research flow thousands of applications for patents each year, many of which, unless the decision below is reversed, would be subject to the arbitrary and confiscatory treatment proposed to be accorded to Petitioner herein.

In submitting its brief, this Amicus Curiae seeks to persuade this Court to review the question as to whether Congress has authorized the Commission to publish or otherwise publicly to disseminate the subject matter of a pending United States patent application, without the consent of the inventor, thereby depriving the inventor of his proprietary rights in said subject matter without due process or just compensation.

This Amicus Curiae filed a brief in support of Petitioner's previous petition for a writ of certiorari (No. 641, October Term, 1957). It otherwise has not participated in the proceedings below, nor has it knowledge of the record below because that record was impounded.

QUESTIONS PRESENTED

The questions number (1), (2) and (3) presented by Petitioner herein are stated thus:

1 (WAS STATUTE CORRECTLY INTERPRETED?). Whether the Atomic Energy Act of 1954 is correctly interpreted to direct or authorize the Respondents to deprive a citizen of private property rights in his invention, forming the subject matter of a pending U. S. Patent application and disclosed to the U. S. Atomic Energy Commission (sometimes termed A. E. C. hereinafter) in confidence in accordance with law, by publishing and/or publicly disseminating said subject matter without regard to the proprietary right of the inventor thereof, without his consent, and to his detriment—

A *(Where Constitutional Authority is Limited to Property of the United States).* Where said Act must be construed to conform to the limited power given to Congress by the Constitution to dispose only of *"property belonging to the United States"*, and not of property which is owned by a private citizen. (Article 4, Section 3 and Amendments IX and X of the Constitution of the United States);

B *(Where Respondents Proposed Disclosure Is Not Within the Limited Authority of the Atomic Energy Act).* Where consistent with its powers, Congress in said Act conferred upon the Respondents only limited authority to control dissemination of information: i.e.

(1) limited authority under Secs. 141, 144 and 123 for non-public communication to "other nations" cooperating and in privity with the A. E. C. of certain types of "Restricted Data" (as defined in Sec. 11(r) of the Act within

which definitions the Petitioner's invention does not fall), the Act expressly providing in Sec. 173 for compensation for such non-public communication of "Restricted Data" based on any patent application not belonging to the United States", (42 U. S. C. Secs. 2161, 2164, 2153, 2014(r) and 2223);

(2) limited authority under Secs. 2(b) and 3(b) for "permitting the property of the United States to be used by others" including by dissemination of "unclassified" scientific and technical information owned by the United States (or in the public domain), (42 U.S.C. Secs. 2012(b) and 2013(b));

(3) limited authority under Sec. 142(a) for determining the data "within the definition of Restricted Data" which can be published (by the owner thereof) and causing such data to be removed from the category of Restricted Data (defined in Sec. 11(r)) subject to the further limitation under Section 141(b) that dissemination of scientific and technical information relating to "atomic enegry" (as defined in the Act, within which definition Petitioner's invention does not fall) "should be permitted and encouraged" (42 U.S.C. Secs. 2162(a), 2014(r), 2161(b);

C *(Where There Is No Express Authority in the Act and There Are Specific Statutory Prohibitions).* Where said Act contains no *express direction or authority* to the Respondents to publish and/or publicly disseminate privately owned information disclosed to them in confidence, and no express provision for compensation for such action inferring

such direction or authority, but on the contrary provides in Sec. 146 (42 U.S.C. Sec. 2166) that the Respondents "shall have no power to control or restrict the dissemination of information other than that granted by this or any other law" and that "sections 141 to 145, inclusive" (42 U.S.C. Secs. 2161-2165) "shall not exclude the applicable provisions of any other laws", e.g.

(1) the general prohibition under penalty of fine and/or imprisonment and removal from office, against the publication or disclosure in any manner of privately owned information received by Respondents as government officials in confidence, 18 U.S.C. Sec. 1905, and

(2) the specific provision of the Patent Law that U. S. patent applications shall be "kept in confidence" by the Patent Office and hence by those in privity with it, 35 U.S.C. Sec. 122 and 37 C.F.R., Sec. 1.14;

D *(Where Respondents Authority Under the Patent Act to Deal With Information Here Involved Has Been Exhausted).* Where the citizen's invention does not fall within the definition of "Restricted Data" or "atomic energy" as defined in said Act and the sole authority of the Respondents for controlling dissemination thereof was derived, not from said Act, but from the Patent Act of 1952, 35 U.S.C., Secs. 181-188, and was exhausted when they took the following four steps:

(1) when they caused a secrecy order to be issued in said application under 35 U.S.C. Sec. 181, and

(2) when they refused to permit the Commissioner of Patents to consent to modification of the secrecy order to permit filing of applications for foreign patents under 35 U.S.C. Sec. 184, and

(3) when they caused the subject matter of the said application to be used by the United States Government as implicitly authorized by 35 U.S.C. Sec. 183, and

(4) when they subsequently, pursuant to 35 U.S.C. Sec. 181, notified the Commissioner of Patents that the secrecy order might be rescinded;

E *(Where Respondents Proposed Publication Constitutes a Breach of Trust).* Where such publication and/or public dissemination without the inventor's consent would be in violation of the obligations of trusteeship placed upon Respondents by the Patent Act, 35 U.S.C. Secs. 122 and 181-188, the Regulations pursuant thereto, 37 C.F.R., Secs. 1.14 and 5.1 and the Criminal Law applicable to breach thereof 18 U.S.C. Sec. 1905;

F *(Where Respondents Have Not Exercised Specific Authority to Acquire the Private Property Rights Involved for the United States).* Where Congress recognized the constitutional limitations on the government's power to dispose only of property of the United States, by specifically authorizing the A.E.C., by Secs. 161(g) and 261 of the Act, in the "performance of its functions" to acquire or purchase personal property or property rights, such as are here involved, from the owners thereof as agent for and on behalf of the United States (42 U.S.C. 2201(g) and 2017).

2 (DID THE COURT'S INTERPRETATION RENDER THE STATUTE UNCONSTITUTIONAL AS AUTHORIZING A DISPOSAL OF PROPERTY NOT BELONGING TO THE UNITED STATES?). Whether Sections 3(b), 141 and 141(b) of the Atomic Energy Act of 1954 (42 U.S.C. Secs. 2013 (b), 2161, and 2161(b))—interpreted to direct or authorize the Respondents to deprive a citizen of private property rights in his invention, forming the subject matter of a pending U. S. patent application, and disclosed to the A.E.C. in confidence in accordance with law, by publishing and/or publicly disseminating said subject matter without regard to the proprietary rights of the inventor thereof, without his consent, and to his detriment—are unconstitutional, *inter alia,* as in excess of the power given to Congress by Article 4, Section 3 and Amendments 9 and 10 of the Constitution of the United States, to dispose only of "property belonging to the United States", and *not* of property belonging to a private citizen.

3 (DID THE COURT'S INTERPRETATION RENDER THE STATUTE UNCONSTITUTIONAL AS AUTHORIZING A DEPRIVATION OF PROPERTY WITHOUT DUE PROCESS OR COMPENSATION?). Whether an interpretation of Sections 3(b), 141 and 141(b) of the Atomic Energy Act of 1954 (42 U.S.C. Secs. 2013(b), 2161, 2161(b)) to authorize the Respondents to dispose of an inventor's personal property rights in his invention, disclosed to them in confidence, by publishing the subject matter thereof without his consent and without first lawfully acquiring or purchasing for the United States the right to so dispose of such property as elsewhere provided for in the Act, renders the Act unconstitutional as regards said sections, *inter alia,* as authorizing a deprivation of private property without due process of law, or by taking thereof without provision for just compensa-

tion, as required by the 5th Amendment of the Constitution, where the Act does not expressly authorize such action, and does not implicitly authorize such action by an express provision for just compensation therefor.

This Amicus adopts the statement of the Petitioner as to these three questions.

CONSTITUTIONAL PROVISIONS AND RULES INVOLVED

The Constitutional provisions, Statutes, and Rules involved, United States Constitution, Article 1, Section 8; Article 4, Section 3; 5th, 9th and 10th Amendments; Atomic Energy Act of 1954, Secs. 1, 2, 3, 11, 123, 141, 142, 144, 146, 161, 173, 261; Patent Act of 1952, Secs. 122, 181, 184; Code of Federal Regulations, Title 37, Part 1, Sec. 1.14; Part 5, Sec. 5.1; 18 U.S.C., Sec. 1905, 28 U.S.C., Sec. 1491; Federal Rules of Civil Procedure, Rule 56; are set forth in Petitioner's Appendix A, pages 1a-9a. In addition this Amicus Curiae cites the following sections of the Atomic Energy Act of 1954, the applicable portions of which are set forth in Appendix A, *infra:* 151(a), (b); 152; 153(a), (g); 158.

STATEMENT OF THE CASE

In the interest of brevity, this Amicus Curiae incorporates by reference herein the statement of the case as set forth in the Petitioner's Petition for Writ of Certiorari herein.

REASONS FOR GRANTING THE WRIT

1. The Decision of the Court Below That the Atomic Energy Act of 1954 Authorizes the Atomic Energy Commission to Publish and Otherwise Publicly to Disseminate the Subject Matter of a Pending United States Patent Application, Thereby Destroying the Proprietary Rights of the Inventor Therein, Is Contrary to the Language and Meaning of That Act.

In addition to the reasons set forth by the Petitioner in his Petition, this Amicus submits that there is another and perhaps more basic reason why this Court should review the decision of the Court of Appeals.

The first opinion of the Court below, dated September 19, 1957, states in part as follows:

> "It is also plain that Congress authorized the Commission to take action of this general sort; i.e., to disseminate technical information in the field of atomic energy. Congress did not leave the matter to implication. It expressly stated its intention to provide 'a program for the dissemination of unclassified scientific and technical infortion and for the control, dissemination, and declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress . . . It shall be the policy of the Commission to control the dissemination and declassification of Restricted Data in such a manner as to assure the common defense and security. . . . The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged . . .' 42 U.S.C. (Supp. IV §§ 2013(b), 2161, 2161(b)." (Petitioner's App. A, page 9a).

Although the Court of Appeals asserted that Congress did not leave the matter to implication, nevertheless, it is unable to indicate any specific authority for the Respondents' proposed action. To the contrary,

the Court below relies upon Congress having "authorized the Commission to take action of this general sort; i.e., to disseminate technical information in the field of atomic energy", notwithstanding the specificity with which Congress has authorized dissemination of certain kinds of such technical information.

The second opinion of the Court of Appeals, dated June 9, 1958, did not elucidate further upon the question of Congressional authorization of "this sort" of publication. (Petitioner's Appendix D, page 15a).

Accordingly, this reason for granting a writ of certiorari retains precisely the same validity as upon the previous presentation of this cause to this Court. (Petition for a Writ of Certionari, No. 641, October Term, 1957, and Brief of this Amicus in support thereof).

It must be observed that the provisions relied upon by the Court of Appeals in its earlier opinion are quoted from those sections establishing the purpose of *control of information,* i.e., in respect of the Commission's authority to *restrict* the dissemination of information. There is no language in these sections or elsewhere in the Act evincing an intention to authorize the Commission to disseminate information which it otherwise would not have the right o publish, and, more particularly, to publish the subject matter of a pending United States patent application, thereby destroying the proprietary rights of the inventor.

To the contrary, the Atomic Energy Act of 1954 recognizes that inventors do have proprietary rights in their inventions, discoveries and patents in the area of atomic energy. Although the Act does in many instances limit the proprietary rights of inventors, such limitations and restrictions are set forth with specificity. For instance, consider the following examples:

a) Patents may *not* be granted for any invention useful in the utilization of special nuclear material or atomic energy in an atomic weapon.[1] 42 U.S.C. § 2181(a)(b). (Appendix A, *infra*, page 1a). This implies that patents may be granted as to other inventions in or related to the field of atomic energy.

b) Certain inventions conceived under contracts with the Atomic Energy Commission are deemed to have been made or conceived by the Commission, although the Commission may waive its claim to such inventions and allow the inventor to be issued a patent. 42 U.S.C. § 2182. (Appendix A, *infra*, pages 1a-2a). It is here implied that as to inventions *not* conceived during Commission contracts, inventors retain full proprietary rights in their inventions, including the right of secrecy of the subject matter of their patent applications.

c) To guard against patents granted after enactment of the Act for inventions or discoveries of primary use in the utilization or production of special nuclear material or atomic energy being used in violation of antitrust laws, a procedure is established to provide relief against the monopolistic use of such patents. 42 U.S.C., § 2188. (Appendix A, *infra*, page 3a). Under these circumstances, reasonable royalty fees are provided for patent owners. *Ibid.* But Respondents apparently take the position that whereas law violators are protected in their property rights, nevertheless, Petitioner, against whom no wrongdoing is asserted, may be deprived of his rights without due process or just compensation.

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[1] The definition of "special nuclear material" at 42 U.S.C. § 2014 (t) (Appendix A, *infra*, page 1a) does not include the subject matter of Petitioner's patent application. Nor is the subject matter of Petitioner's patent application used in the utilization of atomic energy in atomic weapons, according to the Petition for a Writ of Certiorari.

The petition for certiorari does not indicate that Petitioner's invention or patent application is particularly covered by any of the foregoing sections of the Act, nor does this Amicus Curiae so imply. However, these sections suggest that Congress has circumscribed in such detail the rights and obligations of inventors in the field covered by the Atomic Energy Act that it reasonably may be concluded that the property rights of inventors in their discoveries are limited only in the manner provided by the Act.

The Act does not provide for the destruction of Petitioner's proprietary right, which would be the effect of Respondents' proposed publication.

It does not grant to Respondents authority to publish the subject material.

It makes no provision for just compensation upon destruction of Petitioner's proprietary right, although in other instances where the statute recognizes a proprietary right in the inventor and provides for a deprivation or limitation of such right, just compensation also is provided: e.g., 42 U.S.C., §§ 2181, 2183(g), 2188, 2223 (Appendix A, *infra*, pages 1a, 2a, 3a). The provision in 42 U.S.C., § 2223 for just compensation upon communication by the Commission of *Restricted Data* based on patent applications not belonging to the United States raises a serious question as to the authority of the Commission to publish *Unrestricted Data* based on patent applications not belonging to the United States. The proprietary right in the subject matter of a patent application is not diminished by the absence of security classification of the particular invention. Petitioner's property is not within the category of Restricted Data, as defined in 42 U.S.C., § 2014 (r) (Petitioner's App. A, page 2a).

Accordingly, this Amicus Curiae respectfully submits that this Court should review the decision of the Court of Appeals so as to determine whether that Court erred in holding that Congress had authorized the Commission to publish or otherwise publicly to disseminate the subject matter of a pending United States patent application, thereby destroying the proprietary rights of the inventor therein.

Inasmuch as the case at bar challenges directly the statutory authority of Respondents to make the proposed publication, it is clearly distinguishable from this Court's ruling in *Larson* v. *Domestic & Foreign Corp.*, 337 U.S. 682 (1949). This is not a suit against the United States, consented or unconsented.

In the light of the foregoing, unless this Court reviews the decision of the Court of Appeals, the mandate of this Court in its order of March 3, 1958, granting the previous petition for certiorari herein "to determine, in light of the amended complaint, the issues raised by petitioner's appeal" (Petition for Writ of Certiorari, pages 20-21), will have been ignored. Therefore, and there being grave doubt that the Court below has construed the statute correctly, and there flowing from the decision below grave and adverse consequences upon the scientific resources of this country when they are most needed in full strength, it is respectfully submitted that the Petition for a Writ of Certiorari should be granted.

2. If the Decision of the Court Below Is Correct, the Atomic Energy Act of 1954 Is An Unconstitutional Deprivation of Property Without Due Process or Just Compensation.

The argument that the Atomic Energy Act of 1954 does *not* authorize the Atomic Energy Commission to publish the subject matter of a pending United States patent application, thereby destroying the proprietary

rights of the inventor therein, where there is no provision for just compensation, is strongly fortified by the constitutional consequences of a contrary conclusion.

The fact that Congress made provision for *other* takings of property under the Act not only raises a question as to the authority of the Respondents to publish the Petitioner's property, as discussed, *supra,* but also and by way of corollary, permits an inference under the familiar principle of statutory construction, *expressio unius est exclusio alterius,* that Congress did not intend that the Petitioner be compensated for this particular kind of "taking" of his property. If Respondents had been granted such authority, without provision for compensation, the Act would have been to that extent an unconstitutional deprivation of the Petitioner's rights under the Fifth Amendment, inasmuch as the subject matter of a patent application is a property right recognized in Article 1, Section 8, United States Constitution, to be protected against appropriation by government.

In its opinion of June 9, 1958, after remand by this Court, the Court of Appeals held that "the Constitution does not forbid the publication" proposed by Respondents (Petitioner's App. D, page 15a). However, the Court of Appeals made no finding upon which to sustain this conclusion. It failed to find that the proposed action was authorized, other than that the Commission was authorized "to take action of this general sort"; it failed to find that the Petitioner's property right had become property of the United States so as to permit the government to dispose thereof, i.e., it failed to find that the government had acquired a proprietary right in the Petitioner's property; it failed to find that the proposed publication would be a taking for which just compensation must be paid. The

Court of Appeals indeed failed completely to determine the legal nature or effect of the proposed publication.

The Court of Appeals noted that the Court of Claims has jurisdiction to render judgment upon any claim against the United States founded either upon the Constitution or any Act of Congress, citing the general jurisdictional statute. 28 U.S.C., § 1491 (Appendix A, *infra,* page 4(a)). In the instant case, however, the Court of Appeals did not find that this was a taking in the constitutional sense, nor that a claim properly would be founded upon the statute, since the Act makes no provision for compensation for publication of *unclassified* material, although compensation is provided for a taking of *Restricted Data.*

The Court of Appeals further relied upon *Larson* v. *Domestic & Foreign Corp., supra.* This case is distinguishable from *Larson* not only as to the challenge of the Respondents' statutory authority, but also in that the purport of the quoted language is hypothesized upon a finding of a taking to support an action for compensation.

Finally the Court of Appeals, in concluding that "the Constitution does not forbid" the Respondents' proposed action, relied upon *Yearsley* v. *Ross Construction Co.,* 309 U.S. 18 and *United States* v. *Causby,* 328 U.S. 256. These cases are distinguishable from the case at bar in that (1) the governmental action in those cases clearly was authorized by statute; and (2) the statute in the instant case does not provide "a plain and adequate remedy" for the Petitioner. To the contrary, inasmuch as the Court of Claims, in an action for just compensation, would not be bound by the decision of the Court of Appeals herein, and in

view of the doubtful basis for the decision of the Court of Appeals, there is a distinct likelihood of a subsequent finding by the Court of Claims that the Respondents' proposed action is not authorized by the statute, and that, therefore, the deprivation of Petitioner's property would not constitute a taking for which there must be just compensation under the Fifth Amendment.

In view of the Court below having upheld the right of the Respondents to deprive the Petitioner of his property right without even determining the nature and effect in law of the Respondents' proposed action, in view of the doubt as to whether the Court below has construed the statute correctly, in view of the constitutional consequences of an erroneous construction thereof, and in view of the serious prejudice and economic loss thereby resulting not only to the Petitioner but to many other scientists, it is respectfully submitted that the Petition for a Writ of Certionari should be granted, so that the important issues presented therein may be determined as required by this Court's order of March 3, 1958, notwithstanding the failure of the Court of Appeals to do so.

CONCLUSION

WHEREFORE, It is respectfully submitted that for the reasons given Petitioner's Petition for a Writ of Certiorari should be granted.

Respectfully,

AMERICAN CHEMICAL SOCIETY
By

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September 30, 1958

APPENDIX A

Atomic Energy Act of 1954:

Section 11(t) (68 Stat. 922, 42 U.S.C. (Supp. IV) § 2014)

"(t) The term 'special nuclear material' means (1) plutonium, uranium enriched in the isotope 233 or in the isotope 235, and any other material which the Commission, pursuant to the provisions of section 2071 of this title, determines to be special nuclear material, but does not include source material; or (2) any material artificially enriched by any of the foregoing, but does not include source material."

Section 151 (a) (b); (68 Stat. 943, 42 U.S.C. (Supp. IV) § 2181)

"(a) No patent shall hereafter be granted for any invention or discovery which is useful solely in the utilization of special nuclear material or atomic energy in an atomic weapon. Any patent granted for any such invention or discovery is revoked, and just compensation shall be made therefor.

(b) No patent hereafter granted shall confer any rights with respect to any invention or discovery to the extent that such invention or discovery is used in the utilization of special nuclear material or atomic energy in atomic weapons. Any rights conferred by any patent heretofore granted for any invention or discovery are revoked to the extent that such invention or discovery is so used, and just compensation shall be made therefor."

Section 152; (68 Stat. 944, 42 U.S.C. (Supp. IV) § 2182)

"Any invention or discovery, useful in the production or utilization of special nuclear material or atomic energy, made or conceived under any contract, subcontract, arrangement, or other relationship with the Commission,

regardless of whether the contract or arrangement involved the expenditure of funds by the Commission, shall be deemed to have been made or conceived by the Commission, except that the Commission may waive its claim to any such invention or discovery if made or conceived by any person at or in connection with any laboratory under the jurisdiction of the Commission as provided in section 2053 of this title, or under such other circumstances as the Commission may deem appropriate. . . .

"The Commissioner of Patents may proceed with the application and issue the patent to the applicant (if the invention or discovery is otherwise patentable) unless the Commission, within 90 days after receipt of copies of the application and statement, directs the Commissioner of Patents to issue the patent to the Commission (if the invention or discovery is otherwise patentable) to be held by the Commission as the agent of and on behalf of the United States. . . ."

Section 153 (a), (g); (68 Stat. 945, 42 U.S.C. (Supp. IV) § 2183)

"(a) The Commission may, after giving the patent owner an opportunity for a hearing, declare any patent to be affected with the public interest if (1) the invention or discovery covered by the patent is of primary importance in the production or utilization of special nuclear material or atomic energy; and (2) the licensing of such invention or discovery under this section is of primary importance to effectuate the policies and purposes of this chapter.

• • • • •

(g) The owner of the patent affected by a declaration or a finding made by the Commission pursuant to subsection (b) or (e) of this section shall be entitled to a reasonable royalty fee from the licensee for any use of an invention or discovery licensed by this section. Such royalty fee may be agreed upon by such owner and the patent licensee, or in the absence of such agreement shall

be determined for each patent license by the Commission pursuant to section 2187(c) of this title."

Section 158; (68 Stat. 947, 42 U.S.C. (Supp. IV) § 2188)

"Whenever the owner of any patent hereafter granted for any invention or discovery of primary use in the utilization or production of special nuclear material or atomic energy is found by a court of competent jurisdiction to have intentionally used such patent in a manner so as to violate any of the anti-trust laws specified in section 2135(a) of this title, there may be included in the judgment of the court, in its discretion and in addition to any other lawful sanctions, a requirement that such owner license such patent to any other licensee of the Commission who demonstrates a need therefor. Such licensee shall pay a reasonable royalty fee, to be determined in accordance with section 2187 of this title, to the owner of the patent."

Section 173 (68 Stat. 953, 42 U.S.C. (Supp. IV) § 2223)

"In the event that the Commission communicates to any nation any Restricted Data based on any patent application not belonging to the United States, just compensation shall be paid by the United States to the owner of the patent application. The Commission shall determine such compensation. If the compensation so determined is unsatisfactory to the person entitled thereto, such person shall be paid 75 per centum of the amount so determined, and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States for the district in which such claimant is a resident in a manner provided by section 1346 of Title 28 to recover such further sum as added to such 75 per centum will constitute just compensation."

62 Stat. 940, 28 U.S.C. § 1491

"The Court of Claims shall have jurisdiction to render judgment upon any claim against the United States:

(1) Founded upon the Constitution; or

(2) Founded upon any Act of Congress; or

(3) Founded upon any regulation of an executive department; or

(4) Founded upon any express or implied contract with the United States; or

(5) For liquidated or unliquidated damages in cases not sounding in tort."

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In the Supreme Court of the United States

OCTOBER TERM, 1958

No. 339

JEROME S. SPEVACK, PETITIONER

v.

LEWIS L. STRAUSS, ET AL.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

BRIEF FOR THE RESPONDENTS IN OPPOSITION

OPINIONS BELOW

The opinion of the United States Court of Appeals for the District of Columbia Circuit, dated June 9, 1958 (Pet. 14a–16a), is reported at 257 F. 2d 208. Earlier opinions rendered in this litigation are reported at 248 F. 2d 752 and 355 U. S. 601.

JURISDICTION

The judgment of the Court of Appeals was entered on June 9, 1958 (Pet. 16a). Petitioner's "suggestion" filed on June 11, 1958, that the Court of Appeals *sua sponte* vacate its opinion was denied on June 24, 1958. The petition for a writ of certiorari was filed

on September 6, 1958. The jurisdiction of the Court is invoked under 28 U. S. C. 1254 (1).

QUESTIONS PRESENTED

1. Petitioner's avowed purpose in this suit is to obtain time in which to file patent applications abroad. Since the declassification by the Atomic Energy Commission of information dealing with heavy water technology on or about February 1, 1957, and the concurrent lifting of the secrecy order on petitioner's now pending application before the United States Patent Office, petitioner has had 21 months in which to accomplish this objective, a considerably longer period than that which would have been his right under the Convention for the Protection of Industrial Property. In these circumstances, the question presented is whether petitioner can continue to demand equitable assistance to prevent the dissemination of information with regard to heavy water technology, particularly in view of the fact that there is an overriding public interest in the dissemination of such information of which petitioner's process forms only a small part.

2. Whether, in the particular circumstances of this case, the Atomic Energy Commission had authority to divulge data relating to petitioner's alleged invention and whether petitioner can obtain just compensation (if he is entitled to it).

CONVENTION AND STATUTES INVOLVED

The pertinent provisions of the Convention for the Protection of Industrial Property of June 2, 1934 (53

Stat. 1768), of the Atomic Energy Act of 1954 (68 Stat. 919), and of Title 35 of the United States Code (Patents) are set forth in the Appendix, *infra*, pp. 25–27.

STATEMENT

1. *The factual background.* (*a*). From 1943 to 1946, petitioner was employed by a contractor of the Manhattan Engineering District, the predecessor to the Atomic Energy Commission. During this period, he invented a dual temperature exchange process for the production of heavy water.[1] A patent application on this process was held in abeyance under 35 U. S. C. 181 while the invention was held classified. It was issued to the Atomic Energy Commission as petitioner's assignee (R. 2) in April 2, 1957, after the secrecy order had been rescinded.

Between 1946 and 1949, while self-employed, petitioner developed what he considers a new and improved process for the production of heavy water. In October 1949, petitioner was hired by contract with the Atomic Energy Commission as a paid consultant. In this capacity he prepared and submitted a report analyzing the dual temperature process for the production of heavy water including his alleged improvements. Petitioner reserved, however, any invention rights in his alleged new process (R. 46–49, Pet. 16).

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[1] For the important role played by heavy water in the production of special nuclear materials, see *e. g.*, Smyth, *A General Account of the Development of Methods of Using Atomic Energy for Military Purposes Under the Auspice of the United States Government, 1940–1945*, pp. 22–23, 47–48, 122–123.

A patent application on this alleged invention was filed on September 29, 1950 (R. 9). On October 30, 1950, the Patent Office, acting under the authority of the Act of October 6, 1917, 40 Stat. 394, as amended, now 35 U. S. C. 181, issued a secrecy order with respect to that application. Pursuant to this order the grant of the patent was withheld and petitioner was enjoined from the publishing and disclosing of the invention (R. 9–10). While the secrecy order was effective petitioner was prevented from filing patent applications in foreign countries (R. 3–4) and did not have available the protection of Article 4 of the Convention for the Protection of Industrial Property (*infra*, pp. 25–26) which provides that if a patent has been filed in a convention state [2] it may be filed within a year in any other state belonging to the convention without being open to the challenge of prior publication.[3]

(*b*). In the 1950's, the United States built several plants for the production of heavy water. Manuals and reports were prepared describing the operation of the plants and the processes used in them. Petitioner claims that one or more of these heavy water plants utilize the improved process described in his 1949 report and the subject matter of his 1950 patent

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[2] The United States and some fifty other countries are members of the Convention. *Treaties in Force, a List of Treaties and Other International Agreements of the United States, in Force on January 1, 1958*, p. 209.

[3] In some countries the grant of a United States patent amounts to a publication (R. 13).

application, and that the manuals and reports disclose his invention.[4]

Late in 1956, the Atomic Energy Commission determined that defense and security considerations no longer required the classification of the processes for the production of heavy water and that, thenceforth, this information should be disseminated.[5] Specifically, it was to have been discussed at a conference on isotope separation processes to be held in Amsterdam in April 1957 (cf. Pet. 17a). The Commission published a notice in December 1956 that it proposed to declassify heavy water information. On January 22, 1957, petitioner wrote to the Chairman of the Commission, requesting declassification of the subject matter of his two patent applications (*supra*, pp. 3–4), as he desired to deliver a paper concerning them at the Amsterdam conference (R. 50).

In the early part of 1957, the Atomic Energy Commission was declassifying the technical data on heavy water production (R. 4). It made available to the public the manuals and reports describing the operation of heavy water plants (R. 19–37) and opened

[4] R. 48–49. See also Petitioner's Petition for Discovery filed in this Court on August 25, 1958, pp. 3, 6, Exh. 4, 6; and R. 19–37.

In order to simplify the presentation of the facts and the legal discussion, we shall assume in the remainder of this brief, without, however, conceding it, that petitioner's "new" process constitutes a substantial improvement over the prior art (Cf. R. 42–48), that it was used in the heavy water plants constructed by the Atomic Energy Commission, and that the manuals and reports refer to it.

[5] Cf. Secs. 141, 142 of the Atomic Energy Act, *infra*, pp. 26–27.

the plants to public inspection. The secrecy orders relating to petitioner's inventions were rescinded on February 1, 1957 (R. 4).

(*c*). At this juncture, petitioner apparently changed his mind and requested the Atomic Energy Commission to refrain from the publication of any data relating to his 1950 patent application in view of the adverse effect such publication would have on the patentability of the invention in foreign countries. Petitioner pointed out that, as the result of the secrecy order, he had not been able to file his foreign patent applications within the one-year period allowed by the Convention for the Protection of Industrial Property. In a letter addressed by his patent attorney to the Atomic Energy Commission on March 13, 1957, and incorporated in his complaint (R. 11–13), he took the position that, while he was proceeding "as rapidly as possible" with the filing of patent applications in a number of foreign countries, it

> * * * would be most unfair for the Commission * * * to publish information that would bar a U. S. citizen from obtaining foreign patents on applications that could not previously be filed because of secrecy orders instigated by the Commission.
>
> * * * * *
>
> Of course *when Mr. Spevack's U. S. patent is issued and this itself becomes a publication, a matter that we hope will ensue within the next few months,* then anything disclosed * * * at that time will not be a breach of any contractual or moral duty owed to Mr. Spevack by

the Commission as a branch of the Government dealing fairly with its citizens. [Emphasis added.]

On March 21, 1957, the respondents advised petitioner to the effect that they were willing to postpose by thirty days the publication of the two reports specified in petitioner's letter of March 13, 1957 (cf. R. 13, footnote), and to consider a similar delay with respect to such other Commission reports as petitioner would request. The thirty-day period would have expired approximately at the time of the opening of the Amsterdam conference (*supra*, p. 5), at which Mr. Spevack had planned to describe the entire processes. At that time, therefore, the withholding of those reports and any others he desired to identify would not interfere with petitioner's desires nor with the statutory duties of the Commission to permit and encourage "The dissemination of scientific and technical information relating to atomic energy * * * so as to provide that free interchange of ideas and criticism which is essential to scientific and industrial progress" (Atomic Energy Act, Section 141, 68 Stat. 940, 42 U. S. C. (Supp. V) 2161).

2. *The judicial proceeding.* On April 10, 1957, petitioner filed his complaint for injunctive relief (R. 1–13). The basic theory of the complaint is that, as the result of the 1950 secrecy order, petitioner was deprived of the benefits of the Convention for the Protection of Industrial Property (*supra*, p. 4), *viz.*, that, if he could have filed his patent applications abroad within a year of the filing of his application with the United States Patent Office,

these foreign applications could not have been defeated by the publication of his patent during that year. Petitioner, therefore, asked that the publication of information with regard to his process be enjoined lest he be barred from obtaining patents abroad. He assured the court that he was taking steps to file patent applications in 21 foreign countries as rapidly as possible (Complaint, par. 15, R. 6).

On the same day, April 10, 1957, petitioner obtained a temporary restraining order on the ground that "the disclosure of the subject matter of plaintiff's U. S. Patent Application, Ser. No. 188,925, prior to his application for foreign patents * * * would be to destroy plaintiff's right to obtain foreign patents on his said invention in most foreign countries * * *" (R. 14–15). The order enjoined respondents from "causing or permitting the dissemination of any documents, reports, memoranda, technical data, in their pleadings in this action,[6] or otherwise, disclosing the heretofore unpublished features of plaintiff's [petitioner's] Patent Application * * *."

Petitioner's motion for a preliminary injunction was opposed on the ground that the litigation had become moot as the result of the publication of the pertinent information before the litigation had commenced. Affidavits attached to respondents' opposition to the motion for preliminary injunction indicated the extent of the disclosure (R. 17, 19–37).[7]

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[6] This feature of the temporary restraining order has prevented the making of a record which adequately describes the nature of the controversy.

[7] The secrecy had been lifted on or about February 1, 1957. By February 6, 1957, the manuals and reports started to

The District Court denied the motion for a preliminary injunction on the ground that the litigation had become moot because some reports containing a description of the alleged improvements claimed by petitioner had been available to the public before the suit had been filed (R. 18).

The Court of Appeals affirmed. It held that respondents possessed the statutory authority to disclose the data here involved and that petitioner, at best, challenged respondents' discretion in exercising that power; hence, that the complaint actually constituted an unconsented suit against the United States which should have been dismissed for lack of jurisdiction, rather than on the ground of mootness. In these circumstances the Court of Appeals did not reach the latter issue (Pet. 9a–11a).

The judgment of the Court of Appeals was entered on September 19, 1957 (Pet. 9a). Twelve days later, petitioner applied for leave to amend the complaint so as to include allegations to the effect that respondents lack authority to publish any data relating to an invention not owned by the United States without the consent of the inventor or, in the alternative, that the statute would be unconstitutional if it purported to have such effect (Pet. 12a–14a). The Court of Appeals denied the motion to amend the complaint, and also denied a motion for a rehearing filed on October 4, 1957 (Pet. 19–20).

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become available to the public (R. 19, 20). Petitioner instituted these proceedings on April 10, 1957, *i. e.*, nearly two months later (Pet. 18).

Upon petition for a writ of certiorari, this Court granted the writ and remanded the cause to the Court of Appeals with instructions to allow the proposed amendments, and to determine the issues raised by petitioner's appeal in the light of the amendment (355 U. S. 601). On remand, the Court of Appeals adhered to its earlier decision (Pet. 14a–16a). It held that it had determined in that decision that the Atomic Energy Act authorized "this sort of publication," *i. e.*, the dissemination in these circumstances of scientific and technical information relating to atomic energy whether or not the process was owned by the United States. Relying on the decisions of this Court in *Yearsley* v. *Ross Construction Co.*, 309 U. S. 18, 21; *United States* v. *Causby*, 328 U. S. 256; and *Larson* v. *Domestic and Foreign Corp.*, 337 U. S. 682, 697, fn. 18, the Court of Appeals held that this interpretation of the statute did not render the latter unconstitutional. If the publication constituted the taking of the property right of an inventor, the United States had promised either expressly or by implication to pay just compensation to the owner and afforded to him a remedy for its recovery in the Court of Claims; the availability of this judicial remedy fully satisfied the requirements of the Fifth Amendment which does not command the payment of damages by the United States prior to the taking.

3. *The present status of petitioner's patent application and the effect of the restraint upon respondents.* (*a*). The District Court denied petitioner's preliminary restraining order on April 19, 1957, *i. e.*,

nearly 18 months ago. As a result of a series of stay orders and injunctions issued by this Court and by the Court of Appeals, respondents are still, in substance, subject to the prohibition of the original temporary restraining order (cf. Pet. 19–23). Since the latter was issued in order to enable petitioner to file some twenty-one patent applications abroad during the few months in which the patent was expected to issue (*supra,* pp. 7–8), information about the present status of petitioner's domestic and foreign patent applications would be most appropriate. The petition for a writ of certiorari is silent on the latter issue. According to an affidavit filed by petitioner in the Court of Appeals on April 16, 1958, *i. e.*, after the respondents' restraint had been in effect for about a year, he had by then filed patent applications in twelve countries and was in the process of applying for a patent in a thirteenth one; he also desired "to file patent applications for the subject matter here involved in as many of the 108 patent-issuing countries[*] of the world as is prudently possible and within his means." We do not know what progress petitioner has made during the past five and a half months.

The petition for certiorari discloses that all the claims of petitioner's patent have now been allowed

[*] According to the complaint, petitioner contemplated the filing of patents in twenty-one countries "and in other countries in which it may be determined that commercial use of the invention is likely" (R. 6). The Convention for the Protection of Industrial Property is in effect in some 50 countries (*supra*, p. 4, fn. 2).

by the United States Patent Office (Pet. 17).[9] A patent, accordingly, may issue shortly after petitioner pays the final filing fee which, in most instances, amounts to $30 (35 U. S. C. 41 (a) (2)).[10]

(*b*). The effect of the restraint upon respondents has been very substantial. In order to comply with the temporary restraining order of April 11, 1957, respondents examined about 1,000 reports and similar documents in order to determine whether they contained any reference to the claims specified in petitioner's patent application (cf. R. 15). As a result, some forty declassified documents had to be impounded again in their entirety because they contained possibly some reference to petitioner's patent claim.[11] Similarly, access to heavy water plants which had been opened to inspection by scientists and technicians, as well as other interested persons, had to be denied again because they contained some features which possibly were covered by petitioner's patent claim.

In addition, the restraining order and the injunctions keeping it in effect have had a profound effect upon the participation by the respondents in the dis-

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[9] See also the Petition for Discovery filed on August 25, 1958, pp. 3–4, and Supplement to Petition for Discovery filed on September 12, 1958, p. 2.

[10] According to 35 U. S. C. 151, a patent issues within three months after payment of the final fee which, in turn, is payable not later than six months after the applicant has been notified of the allowance of his claim.

[11] In the report referred to at R. 31, less than 25 percent of the pages refer to petitioner's invention. In the remaining documents, the proportion is smaller.

cussion and dissemination of information in the entire field of heavy water production. In particular it has greatly limited the participation of the United States in two international conferences called under the Atoms for Peace programs, *viz.*, the Amsterdam Conference of April 1957 and the Second International Scientific Conference on the Peaceful Uses of Atomic Energy held in Geneva, Switzerland, during the first two weeks of September 1958. It also places restrictions on the ability of the United States to cooperate with the Organization for European Economic Cooperation, of which the United States is an associate, in its current studies of methods of constructing heavy water plants (Pet. 17a–19a).

ARGUMENT

Petitioner asserts that this case involves the very general and broad proposition of whether the Atomic Energy Commission has authority to publish a pending patent application or an invention submitted to it pursuant to the requirements of Section 151 (c) of the Atomic Energy Act (68 Stat. 943, 42 U. S. C. (Supp. V) 2181 (c)).[12] The *amici curiae* similarly urge that the Court pass on this broad issue. Respondents, however, do not seek to publish petitioner's alleged invention as such. They seek to make avail-

[12] Section 151 (c) of the Atomic Energy Act requires the inventor of certain types of inventions to file with the Atomic Energy Commission a complete report thereof, unless a description is contained in a patent application. Since petitioner has filed a patent application for invention, Section 151 (c) is inapplicable to this case.

able, to the scientific and technological community at large, information concerning the operation of Commission-owned heavy water plants. The disclosure of petitioner's alleged invention is at most an incident of the publication of a large mass of government-owned scientific and technological knowledge. Moreover, respondents learned of petitioner's process not by inspection of confidential files, but by virtue of a report which petitioner prepared for them as a paid consultant. In these circumstances, petitioner's reservation of any invention rights (Pet. 16) could do no more than preserve his claim to monetary compensation. He cannot demand that all information relating to the government-owned plants and processes used in their operation be kept secret—contrary to the policy of the Atomic Energy Act—while he files patent applications *seriatim* in 108 countries. In any event, petitioner is at most entitled to a year's protection to compensate him for the loss of the twelve months' filing period under the International Convention for the Protection of Industrial Property. The year has long expired.

I

Petitioner seeks to enjoin the publication of a mass of information relating to the production of heavy water. The dissemination of that data and its availability for public inspection is in the public interest. The continuation of the veil of secrecy interferes with the various programs of the Atomic Energy Commission (*supra*, pp. 12–13). Moreover, the vast majority of the data is owned by the United States. Respondents have every right to make it available

to the public; indeed, respondents have the statutory duty to do so under Section 141 of the Atomic Energy Act (68 Stat. 940, 42 U. S. C. 2161 (b)) which provides that:

> The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific and industrial progress and public understanding and to enlarge the fund of technical information.

Petitioner's interest in the continued sequestration of this fund of knowledge is that a small portion thereof represents an invention of his and that publication would jeopardize his ability to obtain patents abroad. The precise question thus is whether petitioner's interest in keeping secret a small part of a large complex of information, the remainder of which may be and should be made available to the scientific and industrial community, entitles him to a judicial decree enjoining indefinitely the publication of the whole; in other words, whether a large public interest must yield to a proportionally much smaller private one. In our view, the answer must be in the negative in the circumstances of this case.

1. It is a basic tenet of equity jurisprudence that the mere invasion of a right does not entitle a litigant to injunctive relief. That remedy does not issue as of course; it is awarded only in the exercise of sound judicial discretion on the basis of equitable principles. *Harrisonville* v. *Dickey Clay Co.*, 289 U. S. 334, 337–338; cf. *Duncan Townsite Co.* v. *Lane*, 245 U. S. 308,

311–312; *United States* v. *Dern*, 289 U. S. 352, 360–361. One of the principal considerations determining whether or not injunctive relief should be granted is the balancing of the relative equities of the parties, a consideration which is of especial importance where, as here, a private interest is confronted with a large public exigency. *Harrisonville* v. *Dickey Clay Co., supra; Morton Salt Co.* v. *Suppiger Co.*, 314 U. S. 488, 493, and the authorities there cited. As this Court has pointed out, "[t]he history of equity jurisdiction is the history of regard for public consequences in employing the extraordinary remedy of the injunction": *Railroad Commission* v. *Pullman Co.*, 312 U. S. 496, 500. A different formulation of the same idea is the ruling that "[c]ourts of equity may, and frequently do, go much farther both to give and withhold relief in furtherance of the public interest than they are accustomed to go when only private interests are involved." *Virginian Ry.* v. *System Federation No. 40*, 300 U. S. 515, 552.

2. Here, we submit, the congressional finding (*supra*, p. 15) of the public interest in the dissemination of non-classified information relating to atomic energy goes far to outweigh petitioner's interests in prolonging the period during which his invention must be kept secret, particularly in view of the special circumstance of the case. The reasons for denying the injunction—in any event at the present time—are compelling, cf. *Harrisonville* v. *Dickey Clay Co., supra.*

(*a*). The complaint itself indicates that petitioner no longer is entitled to injunctive relief. The com-

plaint (R. 1–13) rests on the theory that petitioner needs an injunction in order to compensate him in kind for the loss, as the result of the secrecy order, of the twelve months' filing period under the Convention for the Protection of Industrial Property (*supra*, pp. 4, 7–8). Attached to the complaint was a letter of petitioner's patent attorney to the Atomic Energy Commission (R. 11–13) which stated (among other things) that he expected petitioner's American patent to issue within a few months and that this, by itself, would constitute a publication which would end the entire controversy. Thus, petitioner is merely seeking to be placed in the same position as if the secrecy order had not issued. Under the Convention, petitioner would have had twelve months (and no more) to file his foreign patent applications without being met by the objection of prior publication. The secrecy order was lifted on February 1, 1957. Since then, petitioner has been able to file patent applications abroad. By now, he has had nine months more than the time allowed to him under the Convention, and there is nothing to indicate that it has been more difficult than it was in 1950 (when secrecy was imposed) to finance and to arrange for the filing of applications abroad (cf. R. 6).

Petitioner, in short, has obtained far more than the protection he could have obtained under the Convention and almost twice the relief for which he asked when he filed his complaint. In any event, Article 4 of the Convention constitutes a finding, concurred in by most of the industrial nations, that twelve months

constitute an adequate period within which to file patent applications abroad. There appears to be no need to extend that term for petitioner alone.

(*b*). In addition to this general consideration, petitioner's statement that the issuance of the American patent was expected to occur within the next few months (*supra*, p. 17) amounted to an indication that the duration of the injunction, and the concomitant prejudice to the public, would be relatively short. As of this time, the restraint has lasted not a few months but nearly a year and a half. Moreover, petitioner has himself disclosed in his petition for certiorari that his patent application in this country has been allowed (Pet. 17). In these circumstances, petitioner appears to us to have lost all right to further equitable relief. It is now in his power to cause the patent to issue upon the payment of a moderate fee which probably does not amount to more than $30.00.[13]

Surely, petitioner would forfeit all right to equitable protection if he deliberately delayed the grant of the patent by taking full advantage of the six months period of 35 U. S. C. 151, or by attempting to use the additional period of a year provided by 37 C. F. R. 1.317. He who seeks equity must act diligently and must do equity. Procrastination in the payment of the patent fee, quite apart from keeping this litiga-

[13] 35 U. S. C. 41 (a) (2) provides that the fee on issuing a patent amounts to $30.00, and $1.00 for each claim in excess of twenty.

tion artificially alive, is contrary to the basic philosophy of the patent law.[14]

(*c*). A third weighty reason militates against the grant of specific equitable relief to petitioner. Respondents have learned of petitioner's invention not as the result of tort or of a breach of confidence, but from a report prepared by petitioner as a paid consultant for the very purpose of showing respondents how his improvements might be utilized in a dual temperature plant for the production of heavy water. (Pet. 16).

In these circumstances, the reservation by petitioner of his invention rights in the improved process does not entitle him to equitable relief if the effect of the reservation is to curtail the full utilization and publication by the United States of those parts of the process—far larger than petitioner's contribution to it—which are fully owned by respondents. In the circumstances of this case, knowing that his invention might be incorporated into a larger whole, petitioner must have limited his rights to monetary compensation and waived his rights to specific relief. Since the time of the Twelve Tables, it has been recognized that one may not tear down a house in order to replevy a beam, and that the owner of the latter may obtain only monetary compensation.[15]

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[14] And see in this context, *U. S. Gypsum Co.* v. *Nat. Gypsum Co.*, 352 U. S. 457, 465 and the authorities there cited.

[15] Poste, *Gaius* (Oxford, 1871), p 171.

In the first part of this brief, we have shown that under general equitable principles petitioner is not now entitled to equitable relief, if indeed he ever was. We therefore suggest that the Court will never reach the broad and general question which petitioner raises, *i. e.*, whether respondents have authority to release information relating to an invention which does not belong to the United States. And if such an issue should be reached, we submit that the Court need not concern itself with the broad question posed by petitioner but only with the much narrower issue whether the Commission had authority to publish, in the special and particular circumstance of this case.

1. According to Section 3 of the Atomic Energy Act, 68 Stat. 922, 42 U. S. C. (Supp. V) 2013, it is the purpose of the statute to provide for "a program for the dissemination of unclassified scientific and technical information * * * so as to encourage scientific and industrial progress." We already have alluded to Section 141 (b) (*supra*, pp. 14–15) pursuant to which the Commission is to be guided by the principle that:

> The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific and industrial progress and public understanding and to enlarge the fund of technical information.

The only question here presented is whether, in the particular circumstances of this case, respondents'

power to disseminate information relating to atomic energy is limited precisely to the information owned by the United States, or whether and to what extent petitioner's invention rights may be disclosed together with admittedly public information. Petitioner and the *amici* set up a strawman, alleging that respondents claim the right to disclose every private invention right, including pending patent applications and reports made under Section 151 (c) of the Act (cf. *supra,* p. 13, fn. 12), and assert that, contrariwise, information relating to any private invention claims may not be released under any circumstances. That is not this case at all.

Our sole position in this case is that there are certain situations in which respondents are clearly authorized to publish invention rights not owned by the United States, and that this case falls within that class. Section 141 (b) (*supra,* p. 20) permits, and indeed requires, the publication of unclassified information relating to atomic energy belonging to the United States. Petitioner seems to take the position that this statutory policy of the Act is defeated whenever private invention rights are commingled with information belonging to the United States so that the one cannot be disclosed without revealing the other. But the Act provides no basis for such a destructive theory. Here, petitioner's invention constitutes only a small proportion of the entire information respondents seek to publish and is inseparable from that great mass of public information (*supra,* pp. 12, 14–15). If the Commission is not authorized to publish information

purportedly embodying petitioner's new process, it cannot disclose this large amount of significant data. Moreover, the process was disclosed to respondents by petitioner himself while he worked as a paid consultant for the Atomic Energy Commission, and it was understood that the Commission was to make use of the process (*supra,* pp. 3–4, 19). In these circumstances, the Act authorizes the publication of the technical aspects of heavy water production even if, incidentally, this disclosure should happen to include petitioner's process.

2. The disclosure of an invention *may,* of course, constitute a taking of private property. This, however, does not make the Atomic Energy Act unconstitutional. The Fifth Amendment does not require petitioner to be paid in advance of the taking. It suffices if Congress provides him with a reasonably just and prompt remedy and pledges, either expressly or by necessary implication, the public good faith to that end. *Crozier* v. *Krupp,* 224 U. S. 290, 306; *Hurley* v. *Kincaid,* 285 U. S. 95, 104; *Yearsley* v. *Ross Construction Co.,* 309 U. S. 18, 21. The many provisions of the Atomic Energy Act providing for just compensation,[18] are indicative of a congressional purpose to compensate every person whose property has been taken by the Atomic Energy Commission in the exercise of its statutory powers. Beyond that, 28

[18] See, *e. g.,* Section 43, 68 Stat. 929, 42 U. S. C. (Supp. V) 2063; Section 52, 68 Stat. 929, 42 U. S. C. (Supp. V) 2072; Section 66, 68 Stat. 933, 42 U. S. C. (Supp. V) 2096; Section 151 (a) (b), 68 Stat. 943, 42 U. S. C. (Supp. V) 2181 (a) (b); Section 157, 68 Stat. 947, 42 U. S. C. (Supp. V) 2187; Sections 171–173, 68 Stat. 952–953, 42 U. S. C. (Supp V) 2221–2223.

U. S. C. 1491 (2) confers upon the Court of Claims general jurisdiction to adjudicate claims based upon a taking of property by the United States. *Yearsley* v. *Ross Construction Co.*, 309 U. S. 18, 21; *United States* v. *Causby*, 328 U. S. 256, 267; *United States* v. *Dow*, 357 U. S. 17, 21. The availability of a remedy either directly under the Atomic Energy Act or under 28 U. S. C. 1491 (2), if there has been a taking, meets the constitutional requirements of a plain and adequate remedy. *Crozier* v. *Krupp, supra; Hurley* v. *Kincaid, supra; Yearsley* v. *Ross Construction Co., supra; Larson* v. *Domestic and Foreign Commerce Corp.*, 337 U. S. 682, 697, fn. 18.[17]

It is unnecessary to decide at this time whether or not petitioner can actually obtain an award. The court below has decided that disclosure by the Atomic Energy Commission is authorized by the statute in these circumstances. If petitioner should bring suit in the Court of Claims and that court should deny him a right to just compensation to which he is entitled, this Court will then be open to him at that time.

The result of applying these accepted principles to this case is that the Atomic Energy Commission will not be curtailed in its important function of dissemi-

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[17] In the past, petitioner repeatedly has relied upon *In re Fulmer*, 86 U. S. P. Q. 116, a decision of the Atomic Energy Commission Patent Compensation Board, for the proposition that he would not be able to obtain compensation for losses occasioned by the publication of his invention. That decision, however, merely holds that under the Atomic Energy Act of 1946, the Patent Compensation Board had no jurisdiction to award damages for a disclosure. It has no bearing upon petitioner's rights under the 1954 Act and, in particular, not upon the availability of judicial relief.

nating significant information; this proves the wisdom of the general rule that "[t]he Government, as representative of the community as a whole, cannot be stopped in its tracks by any plaintiff who presents a disputed question of property or contract right". *Larson* v. *Domestic and Foreign Commerce Corp.*, 337 U. S. 682, 704. In this area, the citizen's remedy lies in the Court of Claims rather than before the chancellor.[18]

CONCLUSION

For the above reasons it is respectfully submitted that the petition for a writ of certiorari should be denied.

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OCTOBER 1958.

[18] We also incorporate by reference our argument, set forth in detail in our brief in opposition in No. 641, October Term, 1957, pp. 12–13, to the effect that this case has become moot as the result of publication prior to the institution of the litigation.

APPENDIX

1. The Convention for the Protection of Industrial Property as Revised at London, June 2, 1934, provides in pertinent part, Article 4, 53 Stat. 1772:

> A. (1) Any person who has duly applied for a patent, the registration of a utility model, industrial design or model, or trade mark in one of the countries of the Union, or his legal representative or assignee, shall enjoy for the purposes of registration in other countries a right of priority during the periods hereinafter stated.
>
> (2) Any filing having the value of a formal national filing by virtue of the internal law of each country of the Union or of international treaties concluded among several countries of the Union shall be recognized as giving rise to a right of priority.
>
> B. Consequently, subsequent filing in one of the other countries of the Union before the expiration of these periods shall not be invalidated through any acts accomplished in the interval, as, for instance, by another filing, by publication of the invention or the working thereof, by the sale of copies of the design or model, or by use of the trade mark, and these facts cannot give rise to any right of third parties or any personal possession. The rights acquired by third parties before the day of the first application on which priority is based shall be reserved by the internal legislation of each country of the Union.
>
> C. (1) The above-mentioned periods of priority shall be 12 months for patents and utility models and 6 months for industrial designs and models and for trade marks.

(2) These periods shall start from the date of filing of the first application; the day of filing is not counted in this period.

(3) If the last day of the period is a legal holiday, or a day on which the Patent Office is not open to receive applications in the country where protection is claimed, the period shall be extended until the next working day.

* * * * *

2. The Atomic Energy Act of August 30, 1954, 68 Stat. 919, 42 U. S. C. (Supp. V) 2011 ff., provides in pertinent part:

Section 141, 68 Stat. 940, 42 U. S. C. (Supp. V) 2161:

It shall be the policy of the Commission to control the dissemination and declassification of Restricted Data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:

(a) Until effective and enforceable international safeguards against the use of atomic energy for destructive purposes have been established by an international arrangement, there shall be no exchange of Restricted Data with other nations except as authorized by section 144; and

(b) The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific and industrial progress and public understanding and to enlarge the fund of technical information.

Section 142, 68 Stat. 941, 42 U. S. C. (Supp. V) 2162:

(a) The Commission shall from time to time determine the data, within the definition of Restricted Data, which can be published without undue risk to the common defense and security

and shall thereupon cause such data to be declassified and removed from the category of Restricted Data.

(b) The Commission shall maintain a continuous review of Restricted Data and of any Classification Guides issued for the guidance of those in the atomic energy program with respect to the areas of Restricted Data which have been declassified in order to determine which information may be declassified and removed from the category of Restricted Data without undue risk to the common defense and security.

* * * * *

3. Title 35 of the United States Code (Patents) provides in pertinent part:

SECTION 122. Applications for patents shall be kept in confidence by the Patent Office and no information concerning the same given without authority of the applicant or owner unless necessary to carry out the provisions of any Act of Congress or in such special circumstances as may be determined by the Commissioner.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1958

JEROME S. SPEVACK,
Petitioner,

vs.

LEWIS L. STRAUSS, ET AL.,
Respondents.

BRIEF AMICUS CURIAE ON BEHALF OF ENGINEERS JOINT COUNCIL, INC., IN SUPPORT OF THE PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

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BRIEF AMICUS CURIAE ON BEHALF OF ENGINEERS JOINT COUNCIL, INC., IN SUPPORT OF THE PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

INTEREST OF AMICUS CURIAE

Engineers Joint Council, Inc., is a corporation not for profit, organized under the laws of the State of New York. It was formed for the purpose of providing an agency to coordinate the activities of the major national professional engineering societies in matters of common interest to such societies.

Engineers Joint Council represents national engineering societies, regional engineering societies, and federations of engineering societies having a total membership of two hundred and fifty thousand engineers and scientists.

Since Engineers Joint Council represents such a vast number of our nation's engineers and the case at bar presents a serious threat to the fundamental rights of our country's engineers and scientists, consent was obtained to file this brief.

The issue in this case which is of primary concern to Engineers Joint Council is:

> "Was the Atomic Energy Act of 1954 correctly interpreted by the Court of Appeals for the District of Columbia circuit as directing or authorizing the Respondents to deprive a citizen of private property rights in an invention, which forms the subject matter of a pending U. S. patent application, which application and invention were disclosed to the U. S. Atomic Energy Commission in confidence according to the law, by publishing and/or publicly disseminating said subject matter without regard to the proprietary rights of the inventor thereof, without his consent, and to his detriment, where such act makes no provision for just compensation or due process of law for such deprivation."

This amicus curiae adopts the position of the petitioner with respect to this question.

STATUTORY PROVISIONS INVOLVED

Atomic Energy Act of 1954, Sections 1, 2, 3, 141, 142, 146, 151, 152 and 153; The Patent Act of 1952, sections 122, and 181, the applicable portions of which are stated further in the appendix hereto.

STATEMENT OF THE CASE

In the interest of brevity, this Amicus Curiae incorporates by reference herein the statement of the case as set forth in the petitioner's Petition for Writ of Certiorari herein.

ARGUMENT FOR GRANTING THE WRIT

1. National Scope of the Issues

The issues involved in this case affect the welfare and security of our country's engineers and scientists as well as the Atomic Energy Commission. If our nation's inventors have no way of protecting their property rights, which is the necessary result of the decision of the lower court, the initiative of engineers and scientists will be curtailed at a time when our country is in dire need of scientific knowledge. Such result is contrary to the purpose stated by Congress in the Atomic Energy Act of 1954 (42 U. S. C. §2013). The effect of the lower court's decision is to discourage rather than to encourage scientific research at the very time in our history when our country is relying on scientific progress for its very survival.

2. Construction of Atomic Energy Act of 1954

The issues in this case present substantial federal questions of first impression and of nationwide significance which should be settled by this court, namely:

a. Under the Atomic Energy Act, does an inventor who complies with the act, forfeit his rights under the Patent Act which insures confidential treatment of inventions (35 U. S. C. § 122)?

b. Does the Atomic Energy Act permit a taking of private property and subsequent disposition of the same by disclosure to the public, thereby destroying the inventor's property right without just compensation?

c. Should not the Atomic Energy Act be construed as follows:

To permit the publication of declassified formerly Retricted Data only in those instance where the Data is owned

outright by the federal government, but prohibit such publication where the invention and patent application belongs to a private individual but is disclosed to the Atomic Energy Commission in compliance with the Atomic Energy Act of 1954 and the Patent Act of 1952?

The ruling of the Court of Appeals of June 9, 1958, merely confirmed their previous ruling that Congress in the Atomic Energy Act of 1954 had authorized the publication complained of by the Petitioner. This ruling was based upon a reading of sections 3 (b) and 141 of the Act applicable provisions of any other laws, . . . " (42 U. S. C. and failed to take into account the provision of section 146 that "Sections 141 to 145, inclusive, shall not exclude the § 2166 (a)). Section 122 of the Patent Act of 1952 provides that applications for patents shall be kept in confidence and no information given concerning them without the permission of the owner except as may be required by other acts of Congress (35 U. S. C. § 122). Section 181 of the Patent Act of 1952 provides the method by which applications for patents are made available to the Atomic Energy Commission (35 U. S. C. § 181). It would seem obvious that these statutes when read together preserve the secrecy of pending patent applications subject only to the right of the Atomic Energy Commission to have access to the applications and processes covered by the applications as the national interest may require.

This conclusion is strengthened by consideration of the language used in Section 2 of the Atomic Energy Act of 1954 in which Congress stated its findings and says "In permitting the *property* of the United States to be used by others, such use must be regulated in the national interest . . ." (42 U. S. C. § 2012 b) (emphasis added). Clearly Congress in legislating for the use of property in the field of peaceful uses of atomic energy was concerned with the

use of United States Government property and not with that of private persons.

3. Denial of Jurisdiction by the Lower Court is in Conflict With Prior Decisions of the Supreme Court of the United States

The lower court relied upon the following cases in denying jurisdiction as an unconsented suit against the United States:

Larson v. Domestic and Foreign Commerce Corporation, 337 U. S. 682, 93 L. Ed. 1645;
State of Arizona v. Hobby, 94 U. S. App, D. C. 170. 221 F. 2nd 498.

These decisions dealt with attempts by litigants to control the exercise of governmental power by United States officials over property of the United States. This case deals with property belonging to individual persons. In the *Larson* case there was no claim that the officials were acting beyond the scope of their authority under the statute in question.

In the case of *Joint Anti-Fascist Refugee Committee v. McGrath*, 341 U. S. 123, 95 L. Ed. 817, this court upheld a suit against the attorney general of the United States and cited the *Larson* case in its opinion:

> "Only recently this Court recognized that 'the action of an officer of the sovereign (be it holding, taking or otherwise legally effect the plaintiff's property) can be regarded as so illegal as to permit a suit for specific relief against the officer as an individual * * * if it is not within the officer's statutory powers or, if within those powers, * * * if the powers, or their exercise in the particular case, are constitutionally void'." *Larson v. Domestic and Foreign Commerce Corporation*, 337 U. S. 682, 701, 702, 93 L. Ed. 1628, 1642.

Therefore, the decision of the lower court misapplied the *Larson* case, which should be regarded as authority for the propriety of this action, and is in direct conflict with the doctrine set down by this court in the following cases:

Goltra v. Weeks, 271 U. S. 536, 70 L. Ed. 1074, 46 S. Ct. 613;

Ickes v. Fox, 300 U. S. 82, 81 L. Ed. 525, 57 S. Ct. 412;

Land v. Dollar, 330 U. S. 731, 91 L. Ed. 1209, 67 S. Ct. 1009;

United States v. Lee, 106 U. S. 196, 27 L. Ed. 171, 1 S. Ct. 240.

CONCLUSION

Since the issues in this case are of nationwide importance and present substantial federal questions of first impression, it is respectfully requested that this court grant the petition for a writ of certiorari.

Respectfully submitted,

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APPENDIX

Atomic Energy Act of 1954.

August 30, 1954, c. 1073, Sec. 1; 68 Stat. 921 et seq.; 42 U. S. C. (Supp. IV) Sec. 2011 et seq:

"Sec. 2. (68 Stat. 921; 42 U. S. C. Sec. 2012) Findings. The Congress of the United States hereby makes the following findings concerning the development, use, and control of atomic energy:

"b. In permitting the property of the United States to be used by others, such use must be regulated in the national interest and in order to provide for the common defense and security and to protect the health and safety of the public."

"Sec. 3. (69 Stat. 922; 42 U. S. C. Sec. 2013) Purpose.—It is the purpose of this Act to effectuate the policies set forth above by providing for—

"a. a program of conducting, assisting, and fostering research and development in order to encourage maximum scientific and industrial progress;

"b. a program for the dissemination of unclassified scientific and technical information and for the control, dissemination, and declassification of Restricted Data. subject to appropriate safeguards, so as to encourage scientific and industrial progress;

"f. a program of administration which will be consistent with the foregoing policies and programs, with international arrangements, and with agreements for cooperation, which will enable the Congress to be currently informed so as to take further legislative action as may be appropriate."

"Chapter 12. Control of Information

"Sec. 141 (68 Stat. 940; 42 U. S. C. Sec. 2161) Policy.—It shall be the policy of the Commission to control the dissemination and declassification of Restricted Data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:

"b. The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific and industrial progress and public understanding and to enlarge the fund of technical information."

"Sec. 142. (68 Stat. 941; 42 U. S. C. 2162) Classification and Declassification of Restricted Data.—

"a. The Commission shall from time to time determine the data, within the definition of Restricted Data, which can be published without undue risk to the common defense and security and shall thereupon cause such data to be declassified and removed from the category of Restricted Data.

"b. The Commission shall maintain a continuous review of Restricted Data and of any Classification Guides issued for the guidance of those in the atomic energy program with respect to the areas of Restricted Data which have been declassified in order to determine which information may be declassified and removed from the category of Restricted Data without undue risk to the common defense and security."

"Sec. 146. (68 Stat. 943; 42 U. S. C. Sec. 2166) General Provisions—

"a. Sections 141 to 145, inclusive, shall not exclude the applicable provisions of any other laws, except that no Government agency shall take any action under such other laws inconsistent with the provisions of those sections.

"b. The Commission shall have no power to control or restrict the dissemination of information other than as granted by this or any other law."

Section 151 (a), (b); 42 U. S. C. (Supp. IV) § 2181)

"(a) No patent shall hereafter be granted for any invention or discovery which is useful solely in the utilization of special nuclear material or atomic energy in an atomic weapon. Any patent granted for any such invention or discovery is revoked, and just compensation shall be made therefor.

(b) No patent hereafter granted shall confer any rights with respect to any invention or discovery to the extent that such invention or discovery is used in the utilization of special nuclear material or atomic energy in atomic weapons. Any rights conferred by any patent heretofore granted for any invention or discovery are revoked to the extent that such invention or discovery is so used, and just compensation shall be made therefor."

"Sec. 122 Confidential Status of Patent Applications.—

"Any invention or discovery, useful in the production or utilization of special nuclear material or atomic energy, made or conceived under any contract, subcontract, arrangement, or other relationship with the Commission, regardless of whether the contract or arrangement involved the expenditure of funds by the Commission, shall be deemed to have been made or conceived by the Commission, except that the Commission may waive its claim

to any such invention or discovery if made or conceived by any person at or in connection with any laboratory under the jurisdiction of the Commission as provided in section 2053 of this title, or under such other circumstances as the Commission may deem appropriate . . .

"The Commissioner of Patents may proceed with the application and issue the patent to the applicant (if the invention or discovery is otherwise patentable) unless the Commission, within 90 days after receipt of copies of the application and statement, directs the Commissioner of Patents to issue the patent to the Commission (if the invention or discovery is otherwise patentable to be held by the Commission as the agent of and on behalf of the United States . . ."

Section 153 (a), (g); 42 U. S. C. (Supp. IV § 2183)

"(a) The Commission may, after giving the patent owner an opportunity for a hearing, declare any patent to be affected with the public interest if (1) the invention or discovery covered by the patent is of primary importance in the production or utilization of special nuclear material or atomic energy; and (2) the licensing of such invention or discovery under this section is of primary importance to effectuate the policies and purposes of this chapter.

(g) The owner of the patent affected by a declaration or a finding made by the Commission pursuant to subsection (b) or (e) of this section shall be entitled to a reasonable royalty fee from the licensee for any use of an invention or discovery licensed by this section. Such royalty fee may be agreed upon by such owner and the patent licensee, or in the absence of such agreement shall be determined for each patent license by the Commission pursuant to section 2187 (c) of this title."

Patent Act of 1925:

"Sec. 122 Confidential Status of Patent Applications.—

Applications for patents shall be kept in confidence by the Patent Office and no information concerning the same given without authority of the applicant or owner unless necessary to carry out the provisions of any Act of Congress or in such special circumstances as may be determined by the Commissioner (of Patents)" (July 19, 1952, c. 950, sec. 1, 66 Stat. 801; 35 U. S. C. 122).

"Sec. 181. Secrecy of Certain Inventions and Withholding of Patent.—

. . . Whenever the publication or disclosure of an invention by the granting of a patent, in which the Government does not have a property interest, might, in the opinion of the Commissioner (of Patents) be detrimental to the national security, he shall make the application for patent in which such invention is disclosed available for inspection to the Atomic Energy Commission . . .

. . . If, in the opinion of the Atomic Energy Commission . . . the publication or disclosure of the invention by the granting of a patent therefor would be detrimental to the national security, the Atomic Energy Commission, . . . shall notify the Commissioner (of Patents) and the Commissioner (of Patents) shall order that the invention be kept secret and shall withhold the grant of a patent for such period as the national interest requires, and notify the applicant thereof . . .

. . . The Commissioner (of Patents) may rescind any order upon notification by the heads of the departments and the chief officers of the agencies who caused the order to be issued that the publication or disclosure of the invention is no longer deemed detrimental to the national security." (July 19, 1952, c. 950, Sec. 1, 66 Stat. 805; 35 U. S. C. Sec. 181).

Supreme Court of the United States

OCTOBER TERM, 1958

No. 339

JEROME S. SFEVACK,

Petitioner,

VS.

LEWIS L. STRAUSS, *et al.*,

Respondents.

PETITIONER'S REPLY TO BRIEF FOR RESPONDENTS IN OPPOSITION

1. The brief for Respondents studiously avoids any attempt to meet the issues raised by this case. It carefully refrains from challenging the "Questions Presented", which are set forth in the Petition for Certiorari and the Briefs of the Amici Curiae herein. It does not challenge the validity or the force of any of the "Reasons for Granting the Writ," set forth by Petitioner (6 reasons) and the Amici Curiae (5 reasons). It therefore in effect admits that Certiorari should be granted.

Respondents' opposition attempts to confuse and conceal the issues by dissemblance, inaccurate and misleading statements, and non-sequiturs. Petitioner feels certain, however, that the Court will not be misled by

such obvious tactics. Petitioner's remarks herein are set forth as though they were marginal notes on said brief. Paragraph numbers are merely for purposes of reference.

2. *Re Page 2:* In Respondents' "Questions Presented" and elsewhere in their Brief, the Convention is obviously referred to so as to imply that it *limits* the period for filing foreign applications. This is not the fact. It puts no time limit on such filings where there has been no publication effective in the country concerned. The convention does, in effect, allow *backdating* of applications in other convention countries to the date of the first application in any convention country, if filed within one year of such first application. This is of value *if there has been* a publication or an adverse filing within that year. But the inventor's right to file continues indefinitely until there has been a publication effective in the country concerned. Thus, Respondents' statement is disingenuous, tends to foster false inferences, and has nothing to do with the question of whether on legal, as well as on contractual and moral grounds, Respondents have any right or authority to publish information received in confidence from Petitioner, and from the Patent Office, without his consent, and contrary to the Constitution and the criminal and civil statutes.

3. *Re Page 2:* If, as Respondents state in their "Questions Presented", the Petitioner's process forms only a "small part" of what they want to disseminate, and there is a public interest in the dissemination of information with regard to heavy water technology, all they need to do is to delete "the small part" before dissemination of the bulk of the matrial. If they have "commingled" Petitioner's proprietary information

with material which they have a right to disseminate, they are free to reverse that action and have had ample time to do so, and cannot rely on their own wrong doing to deprive Petitioner of either his statutory, equitable, moral, or contractual rights to his private property. Obviously they specifically want to publish "the small part", *i.e.* this Petitioner's invention. Respondents were well aware of the private property rights involved here. They should have taken necessary precautions and safeguards to protect this information. Thus, their present difficulties, if such exist, were brought upon themselves.

4. *Re Pages 6-7:* The allegation in Respondents' "Statement" of the case of a change of mind of Petitioner and the allegation that he "planned to describe the entire processes" at Amsterdam, are gratuitous, not supported by the record, and are false. Obviously Petitioner had no intention of publishing the details of his new process and thereby destroying valuable rights therein. The summary of his proposed address, published as No. 60 on pages 67-68 in the "Programme of the International Symposium on Isotope Separation, Amsterdam, 23-27 April 1957", evidences the contrary, and clearly indicates that it was to deal only with the principles and features involved in Petitioner's earlier invention which was also secret at that time (Pet. Cert. pp. 14-15) and not with the new process for applying them. In addition such matters are irrelevant in that if the Petitioner had desired, and had been foolish enough, to disclose his process publicly to his detriment, that was his privilege after the secrecy order was rescinded.

5. *Re Pages 6-7:* The fact that Petitioner sought amicable arrangements principally on this basis of

moral and equitable principles as set forth in the counter "Statement", does not in any way detract from his legal rights under the Constitution, and the criminal and civil statutes. He was obliged to resort to the Courts when he could not obtain any firm assurance of cooperation from Respondents. The actual events show how utterly and completely his pleas, which commenced on Feb. 1, 1957, were ignored.

6. *Re Page 7:* Section 141 of the Act is obviously cited in the counter "Statement" in an attempt to plant a false inference that information relating to *"atomic energy"* embraces information concerning Petitioner's "new process" for producing heavy water. But the term "atomic energy" as defined in Sec. 11, c. of the Act (Pet. Cert., p. 2a) means *"forms of energy released in the course of nuclear fission or nuclear transformation"*. Heavy water, like concrete or carbon or steel, may be used as a material of construction in a plant for producing atomic energy or special nuclear material, irrespective of the process by which the heavy water was separated. But Petitioner's invention is not heavy water and is therefore further removed. It is only a more economical process for producing it and itself has nothing to do with nuclear fission or transformation. The "smoke screen" character of Respondents' comment is thus evident.

7. *Re Pages 7-8:* The basic theory of Petitioner's complaint is not rested on the loss of rights under the Convention, as alleged in the counter "Statement". That loss was irrevokably consummated. The theory of the complaint is to protect the still existing rights in his new process, guaranteed to him by the Constitution, and the criminal and civil statutes. Petitioner has continuously urged (and still does) that **Respondents**

have no right to publish the details of Petitioner's Process. Paragraph 12 of the Complaint (R. 4) reads in part: "Defendants having received confidential disclosure of the subject matter of the said application have no right to publish the same or any reports dealing with such confidentially disclosed subject matter".

8. *Re Page 10:* Respondents' extrapolation in their counter "Statement" from the decision of the Court below, (*i.e.* ". . . whether or not the process was owned by the United States") while inaccurate, does point out that the Court below completely failed to distinguish between property of the United States and property of a private citizen. In so doing, the Respondents actually support the need for *Certiorari* in this case.

9. *Re Page 11:* The status of Petitioner's foreign patent applications has nothing to do with the issues presented in this case. Whether or not Petitioner files patent applications does not relieve the Respondents from their obligations to comply with the laws of this country protecting his private property from destruction through breach of confidence. The extent of what Petitioner has done in his business, and no business of the Respondents, in the present posture of this case. Petitioner has a right to proceed *with all due deliberate speed* in determining where and when to file his foreign applications consistent with prudence and his means, which ability obviously has been adversely affected by the Respondents' attitude and the necessity and expense of prosecuting this litigation.

10. *Re Pages 11-12:* Petitioner is under no duty to Respondents to expedite issuance of his U. S. Patent at the possible sacrifice of unsecured rights at home or

abroad. To avail oneself of the periods provided by statute is perfectly proper. The Respondents obviously hope that issuance of Petitioner's U. S. patent would result in ousting this Court of jurisdiction, and thereby avoid an adverse decision so that they could continue to invade private property rights, as here, irrespective of the law. We trust that this unconscionable hope will not be realized in fact.

11. *Re Page 12:* Respondents depart completely from the record to assert in their counter "Statement" that 40 documents (out of 1000 examined) contain Petitioner's proprietary information in varying amounts commingled with information belonging to the United States. Again, deletion before dissemination has been and is available under the orders now in force. The comment in para. 3, above, applies.

Also, Respondents depart completely from the record to assert that access to plants "had been opened" and "had to be denied again". There is no statement that any of the public actually obtained such access. The statement is thus completely irrelevant, as well as unsupported in the record.

12. *Re Pages 12-13:* Respondents either exaggerate the effect of the restraint on them, or have misrepresented the importance of Petitioner's new process. (See "small part" comment, para. 3, above). **The restraining order** (Pet. Cert., Appendix F, p. 19a) **does not go to the "entire field of heavy water production", only to Petitioner's new process.** But evidently this improved process, this "small part" is like the heart of a man; without it the entire body is useless. Again, Respondents have brought whatever difficulties they have, if any, upon themselves.

13. *Re Pages 13-14:* In Respondents' Argument, the opening statement attempts to confuse by presenting only part of the contentions of Petitioner and the *amici curiae,* in twisted form cf. Petition and Briefs Amicus. Respondents then take refuge in the assertion that they do not seek to publish Petitioner's invention "as such". This statement is contrary to the stipulation of record that, "unless otherwise ordered by the Court, [they] intend to take the action sought to be enjoined by this suit" (R. 128, para. 3) and is vitiated by the next sentence of Respondents' argument. Also, Respondents' statement is inaccurate and incomplete. In addition to Petitioner's special confidential report in October 1949, Respondents received a confidential disclosure of the invention on August 8, 1949, and were supplied with a copy of Petitioner's patent application by the U. S. Patent Office on October 23, 1950 (R. 2; Complaint, paras. 4, 5; Pet. Cert., pp. 15-16). The rest of the opening argument is pure arrogance. As noted in connection with para. 2 above, the Convention period is misapposed and has nothing to do with the matter. Furthermore, the Secrecy Order was in effect for *six and one third years* (Sept. 29, 1950-February 1, 1957). On a "compensation for the filing period denied Petitioner" basis, urged by Respondents, if such were proper, they should be restrained for an equal 6⅓ year period, if necessary.

14. *Re Pages 14-15:* Respondents Argument I (introduction) merely reiterates arguments (public interest, interference, etc.) made in their counter "Statement" of the case. The "small part" comment in para. 3, above. shows the lack of merit of the "commingling" contention. The comment in para. 6 above (Section 141 of the Act), shows the irrelevance of the argument based thereon.

15. *Re Pages 15-16:* Respondents' sub-argument 1, on equity jurisprudence, is totally irrelevant to the issues presented in this case, namely the limited authority of the Respondents, and the Constitutional, criminal and civil guarantees protecting private property. (See also the "small part"—commingling—decommingling comment in para. 3 above). Apparently Respondents regard the public interest to be synonymous with their own royalistic desires on a *"The King can do no wrong"* basis. Respondents' arguments here that Petitioner is not entitled to equitable relief, and the subsequent argument on page 20 of Respondents' brief that the Court should never reach the question of Respondents' authority to release the information in question is an example of "placing the cart before the horse". Fundamentally, the Court must first determine whether Respondents *have* the authority in question before it can be determined whether Petitioner is entitled to equitable relief. If there ever was a case where equitable relief should be granted, this is the case.

16. *Re Page 15* (as well as on pages 2, 16 and 18), Respondents speak of the "public interest" which they contend justifies or warrants their action. They use the phrase but they never have explained or outlined *what public interest* is being served. Certainly there is no public interest in allowing Respondents to run rough-shod over Petitioner as they here intended to do, and to give away information they do not own to his irreparable damage. Furthermore, there is great expressed public interest in the scientific community of the nation in favor of protecting scientists and inventors in Petitioner's position. This **public interest** does not lie in the subject matter of Petitioner's patent application as Respondents wish to have the Court be-

lieve, but rather it **is an enraged and indignant public cry from the nation's scientists and engineers against the unauthorized, unconstitutional and undemocratic activities of the Respondents.**

Respondents have ignored and failed to refute or contest the asserted public interest of 330,000 of the nation's scientists and engineers as represented by the *amici curiae,* and of the reactions of the press (Pet. Cert., pp. 24, 26, 27).

17. *Re Page 16:* Respondents' sub-argument 2, on non-classified atomic energy data, is irrelevant. Petitioner's information was confidentially disclosed to Respondents, and should remain classified as "confidential" in their hands. Furthermore, it does not relate to "atomic energy" (see discussion para. 6, above). Thus the "Congressional finding" is not pertinent to this case.

18. *Re Pages 16-17:* Respondents' sub-argument (a) on sufficiency of relief rests on completely false premfiling ises. The ~~finding~~ period denied by the Secrecy Order was 6⅓ years (see comment in para. 13, above). The loss of the Convention period, which expired Sept. 29, 1951, can never be compensated by time (see comment in para. 2, above). The attempt at amicable settlement, etc., has no relevance (see comments in paras. 5, and 10, above). The gratuitous statement that Petitioner seeks to be placed in the same position as though the secrecy order had not issued is patently false. Such is impossible. The "Twelve months (and no more)" statement is completely false (see comment in para. 2, above), and the "nine months more" statement is therefore obviously false (id.). The balance of the argument is void and rested on false premises and non sequiturs.

19. *Re Pages 18-19:* Respondents' sub-argument (b), that Petitioner should forego statutory rights, clearly has no merit (see comment in para. 10, above). No one forfeits anything by availing himself of his statutory rights.

20. *Re Pages 19-20:* Respondents' sub-argument (c), attempting to justify a breach of confidence, resorts to half truths. Petitioner's invention was confided to the Atomic Energy Commission for use in the production of heavy water for the United States subject to appropriate compensation in due course, not for publication and destruction of his proprietary rights therein. Certainly if Respondents had any evidence to support this contention they would have presented it to the Court long before this. Petitioner's contract reservations apply to any rights in his invention, not only for the compensable use thereof in production. Legal and constitutional rights are here involved, not equity alone. Petitioner does not seek specific relief against incorporation of his invention and use of it in productions by or for the United States, only against unauthorized publication of it. An invention is unique, it is not a common beam, and *Gaius* would certainly be amused at the misapplication of his commentary. Thus there is no substance whatsoever in this argument.

21. *Re Page 20:* Respondents' argument II, introduction, is mere wishful thinking, which needs no comment.

22. *Re Pages 20-22:* Respondents' sub-argument 1, on unclassified atomic energy data, is founded on an erroneous premise (see comment re "atomic energy" in para. 6, above). Thus Respondents' alleged question is the "straw man". Respondents admit that (1)

unclassified information (2) relating to "atomic energy" and (3) belonging to the United States, constitutes the *limits of the express authority* conferred by Congress. Commingling gives no greater right (see comment in paras. 3 and 12, above). Respondents' argument blows hot and cold at the same time and again departs from the record, cf. "small proportion" v. "inseparable". There is no evidence in the record to support the "inseparableness" alleged (see also comment in para. 12, above). Confidential disclosure for *use in production* by the Government subject to compensation gives no right to *publish*. Respondents' argument is therefore without merit.

23. *Re Pages 22-24:* Respondents' sub-argument 2 in effect says to this Court, "Do not adjudicate Petitioner's constitutional rights. Just let us do what we want to, and *later* decide whether Congress really authorized us to do it to determine whether the Petitioner will be compensated for the destruction of his property". The logic is that of a willful child. As to footnote 17 (*page 23*), see footnote 3, at page 19 of the Petition for Certiorari in No. 641, Oct. Term 1957, which reads:

> [3] Ex Parte Fulmer ruled with respect to the Atomic Energy Act of 1946 ". . . we find nothing in the (Atomic Energy) Act which would justify consideration of a claim for damages based upon publication of a disclosure made to the Commission." No provision for such compensation was added in the amended Act of 1954.

The cases cited by Respondents, of course, have no relevancy to the situation here presented. In none of them was constitutionality or lack of statutory authority in issue. Also see Briefs of American Chemical Society and of the Engineers Joint Council, as *amici curiae*. As regards the distinctions between this case

and the *Larson* case we incorporate by reference Appendix G (21a-25a) of Petition for Certiorari in No. 641, October Term, 1957.

Page 24, Footnote 18 is completely answered at pages 38-41 of the Petition for Certiorari herein.

The Brief for Respondents fails to even deny, much less attempt to refute, the Petitioner's sixth reason for granting the writ which is related to the pending Petition for Discovery in this case.

CONCLUSION

As above shown, the Respondents in this case have really made no effort to show why a petition for certiorari should not be granted. What their brief actually does, in effect, is (1) to assume it will be granted, and (2) to present arguments attempting to persuade this Court to affirm the result below on some ground that will not rule upon Respondents' authority. As such, Respondents brief is actually a brief on the merits, and is as weak and unsupportable as is their position. In this connection, the Petition for Certiorari is equally complete, and in our view shows not only compelling grounds for granting the writ, but also compelling reasons for reversing the Courts below.

Under the circumstances we submit that the issuance of a writ is clearly warranted, and that this Court, if it considers the merits fully argued, will be justified in reviewing the case on certiorari, and in rendering its decision, without further hearings or briefs, as it did in No. 641, October Term, 1957.

Respectfully submitted,

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No. 339

IN THE

Supreme Court of the United States

OCTOBER TERM, 1958

JEROME S. SPEVACK, *Petitioner*

v.

LEWIS L. STRAUSS, ET AL., *Respondents*

BRIEF OF AMERICAN CHEMICAL SOCIETY AS AMICUS CURIAE

AMERICAN CHEMICAL SOCIETY

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Argument:

1. The Decision of the Court Below that the Atomic Energy Act of 1954 Authorizes the Atomic Energy Commission to Publish and Otherwise Publicly to Disseminate the Subject Matter of a Pending United States Patent Application, Thereby Destroying the Proprietary Rights of the Inventor Therein, Is Contrary to the Language and Meaning of that Act 10

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IN THE

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JEROME S. SPEVACK, *Petitioner*

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LEWIS L. STRAUSS, ET AL., *Respondents*

BRIEF OF AMERICAN CHEMICAL SOCIETY AS AMICUS CURIAE

OPINIONS BELOW

The District Court rendered no opinion on entering its Findings of Fact and Conclusions of Law, and Order Denying Petitioner's Motion for a Preliminary Injunction. (R. 17, J.A. 17).[1]

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[1] References herein to the Court of Appeals record consisting of 134 pages used in conjunction with the previous Petition for a Writ of Certiorari filed in this matter (No. 641, October Term, 1957) are denoted "(R.)". References to the Court of Appeals Record certified to this Court incident to this Petition are denoted "(NR)".

A previous opinion of the Court of Appeals for the District of Columbia Circuit (Petitioner's Appendix B, page 9a) is reported at 248 F. 2d 752.

The opinion of the Court of Appeals for the District of Columbia Circuit, rendered June 9, 1958 (Petitioner's Appendix D, page 14a), reported at 257 F. 2d 208.

JURISDICTION

The judgment of the Court of Appeals was entered on June 9, 1958. (Petitioner's Appendix D, page 16a). Petitioner's suggestion that the Court of Appeals should vacate its opinion and judgment contained in his "Answer to Order to Show Cause" (NR 47) which was filed on June 11, 1958, and which was similar to a Petition for Rehearing, was denied on June 24, 1958 (NR 53). The jurisdiction of this Court is invoked under 28 U.S.C. Sec. 1254.

INTEREST OF THE AMICUS CURIAE

The American Chemical Society is a scientific and educational organization chartered by Act of Congress. Its membership, which includes Petitioner, embraces more than 80,000 chemists and chemical engineers engaged in the practice of their profession, all of whom are vitally interested in the issues presented in this case by the decision of the Court below.

In effect the Court of Appeals determined that the Atomic Energy Act of 1954 (sometimes hereinafter called the "Act") authorizes the Atomic Energy Commission (sometimes hereinafter called the "Commission") to publish details of inventions revealed to it in confidence pursuant to statutory requirements, which inventions in turn are subjects of patent applications,

without regard to rights of inventors in respect of their patent applications.

The importance of this question to members of the American Chemical Society cannot be overstated. Possibly in no other profession are so many engaged in both basic and applied research. From this research flow thousands of applications for patents each year, many of which, unless the decision below is reversed, would be subject to the arbitrary and confiscatory treatment proposed to be accorded to Petitioner herein.

In submitting its brief, this Amicus Curiae seeks to persuade this Court that Congress has not authorized the Commission to publish or otherwise publicly to disseminate the subject matter of a pending United States patent application, without the consent of the inventor, thereby depriving the inventor of his proprietary rights in said subject matter without due process or just compensation.

This Amicus Curiae filed a brief in support of Petitioner's petition for a writ of certiorari herein and in support of Petitioner's previous petition for a writ of certiorari (No. 641, October Term, 1957). It otherwise has not participated in the proceedings below, nor has it knowledge of the record below because that record was impounded.

QUESTIONS PRESENTED

The questions numbered (1), (2) and (3) presented by Petitioner herein are stated thus:

1 (WAS STATUTE CORRECTLY INTERPRETED?). Whether the Atomic Energy Act of 1954 is correctly interpreted to direct or authorize the Respondents to deprive a citizen of private property rights in his invention,

forming the subject matter of a pending U. S. Patent application and disclosed to the U. S. Atomic Energy Commission (sometimes termed A. E. C. hereinafter) in confidence in accordance with law, by publishing and/or publicly disseminating said subject matter without regard to the proprietary right of the inventor thereof, without his consent, and to his detriment—

A *(Where Constitutional Authority is Limited to Property of the United States).* Where said Act must be construed to conform to the limited power given to Congress by the Constitution to dispose only of "*property belonging to the United States*", and not of property which is owned by a private citizen. (Article 4, Section 3 and Amendments 9 and 10 of the Constitution of the United States);

B *(Where Respondents' Proposed Disclosure Is Not Within the Limited Authority of the Atomic Energy Act).* Where consistent with its powers, Congress in said Act conferred upon the Respondents only limited authority to control dissemination of information: i.e.

(1) limited authority under Secs, 141, 144 and 123 for non-public communication to "other nations" cooperating and in privity with the A. E. C. of certain types of "Restricted Data" (as defined in Sec. 11(r) of the Act within which definitions the Petitioner's invention does not fall), the Act expressly providing in Sec. 173 for compensation for such non-public communication of "Restricted Data" based on any patent application not belonging to the United States", (42 U. S. C. Secs. 2161, 2164, 2153, 2014(r) and 2223);

(2) limited authority under Secs. 2(b) and 3(b) for "permitting the property of the United States to be used by others" including by dissemination of "unclassified" scientific and technical information owned by the United States (or in the public domain), (42 U.S.C. Secs. 2012(b) and 2013(b));

(3) limited authority under Sec. 142(a) for determining the data "within the definition of Restricted Data" which can be published (by the owner thereof) and causing such data to be removed from the category of Restricted Data (defined in Sec. 11(r)) subject to the further limitation under Section 141(b) that dissemination of scientific and technical information relating to "atomic energy" (as defined in the Act, within which definition Petitioner's invention does not fall) "should be permitted and encouraged" (42 U.S.C. Secs. 2162(a), 2014(r), 2161(b);

C *(Where There Is No Express Authority in the Act and There Are Specific Statutory Prohibitions).* Where said Act contains no *express direction or authority* to the Respondents to publish and/or publicly disseminate privately owned information disclosed to them in confidence, and no express provision for compensation for such action inferring such direction or authority, but on the contrary provides in Sec. 146 (42 U.S.C. Sec. 2166) that the Respondents "shall have no power to control or restrict the dissemination of information other than that granted by this or any other law" and that "sections 141 and 145, inclusive" (42 U.S.C. Secs.

2161-2165) "shall not exclude the applicable provisions of any other laws", e.g.

(1) the general prohibition under penalty of fine and/or imprisonment and removal from office, against the publication or disclosure in any manner of privately owned information received by Respondents as government officials in confidence, 18 U.S.C. Sec. 1905, and

(2) the specific provision of the Patent Law that U. S. patent applications shall be "kept in confidence" by the Patent Office and hence by those in privity with it, 35 U.S.C. Sec. 122 and 37 C.F.R., Sec. 1.14;

D *(Where Respondents Authority Under the Patent Act to Deal With Information Here Involved Has Been Exhausted).* Where the citizen's invention does not fall within the definition of "Restricted Data" or "atomic energy" as defined in said Act and the sole authority of the Respondents for controlling dissemination thereof was derived, not from said Act, but from the Patent Act of 1952, 35 U.S.C., Secs, 181-188, and was exhausted when they took the following four steps:

(1) when they caused a secrecy order to be issued in said application under 35 U.S.C. Sec. 181, and

(2) when they refused to permit the Commissioner of Patents to consent to modification of the secrecy order to permit filing of applications for foreign patents under 35 U.S.C. Sec. 184, and

(3) When they caused the subject matter of the said application to be used by the United States

Government as implicitly authorized by 35 U.S.C. Sec. 183, and .

(4) when they subsequently, pursuant to 35 U.S.C. Sec. 181, notified the Commissioner of Patents that the secrecy order might be rescinded;

E *(Where Respondents Proposed Publication Constitutes a Breach of Trust).* Where such publication and/or public dissemination without the inventor's consent would be in violation of the obligations of trusteeship placed upon Respondents by the Patent Act, 35 U.S.C. Secs. 122 and 181-188, the Regulations pursuant thereto, 37 C.F.R., Secs. 1.14 and 5.1 and the Criminal Law applicable to breach thereof 18 U.S.C. Sec. 1905;

F *(Where Respondents Have Not Exercised Specific Authority to Acquire the Private Property Rights Involved for the United States).* Where Congress recognized the constitutional limitations on the government's power to dispose only of property of the United States, by specifically authorizing the A.E.C., by Secs. 161(g) and 261 of the Act, in the "performance of its functions" to acquire or purchase personal property or property rights, such as are here involved, from the owners thereof as agent for and on behalf of the United States (42 U.S.C. 2201(g) and 2017).

2 (DID THE COURT'S INTERPRETATION RENDER THE STATUTES UNCONSTITUTIONAL AS AUTHORIZING A DISPOSAL OF PROPERTY NOT BELONGING TO THE UNITED STATES?). Whether Sections 3(b), 141 and 141(b) of the Atomic Energy Act of 1954 (42 U.S.C. Secs. 2013 (b), 2161, and 2161(b))—interpreted to direct or au-

thorize the Respondents to deprive a citizen of private property rights in his invention, forming the subject matter of a pending U. S. patent application, and disclosed to the A.E.C. in confidence in accordance with law, by publishing and/or publicly disseminating said subject matter without regard to the proprietary rights of the inventor thereof, without his consent, and to his detriment—are unconstitutional, *inter alia,* as in excess of the power given to Congress by Article 4, Section 3 and Amendments 9 and 10 of the Constitution of the United States, to dispose only of "property belonging to the United States", and *not* of property belonging to a private citizen.

3 (DID THE COURT'S INTERPRETATION RENDER THE STATUTE UNCONSTITUTIONAL AS AUTHORIZING A DEPRIVATION OF PROPERTY WITHOUT DUE PROCESS OF COMPENSATION?). Whether an interpretation of Sections 3(b), 141 and 141(b) of the Atomic Energy Act of 1954 (42 U.S.C. Secs. 2013(b), 2161, 2161(b)) to authorize the Respondents to dispose of an inventor's personal property rights in his invention, disclosed to them in confidence, by publishing the subject matter thereof without his consent and without first lawfully acquiring or purchasing for the United States the right to so dispose of such property as elsewhere provided for in the Act, renders the Act unconstitutional as regards said sections, *inter alia,* as authorizing a deprivation of private property without due process of law, or by taking thereof without provision for just compensation, as required by the 5th Amendment of the Constitution, where the Act does not expressly authorize such action, and does not implicitly authorize such action by an express provision for just compensation therefor.

This Amicus adopts the statement of the Petitioner as to these three questions.

CONSTITUTIONAL PROVISIONS AND RULES INVOLVED

The Constitutional provisions, Statutes and Rules involved, United States Constitution, Article 1, Section 8; Article 4, Section 3; 5th, 9th and 10th Amendments; Atomic Energy Act of 1954, Secs. 1, 2, 3, 11, 123, 141, 142, 144, 146, 161, 173, 261; Patent Act of 1952, Secs. 122, 181, 184; Code of Federal Regulations, Title 37, Part 1, Sec. 1.14; Part 5, Sec. 5.1; 18 U.S.C., Sec. 1905, 28 U.S.C., Sec. 1491; Federal Rules of Civil Procedure, Rule 56(e); are set forth in Petitioner's Appendix A, pages 1a-9a. In addition this Amicus Curiae cites the following sections of the Atomic Energy Act of 1954, the applicable portions of which are set forth in Appendix A, *infra:* 151(a), (b); 152; 153(a), (g); 158.

STATEMENT OF THE CASE

In the interest of brevity, this Amicus Curiae incorporates by reference herein the statement of the case as set forth in the Petitioner's Brief herein.

SUMMARY OF ARGUMENT

1. The Atomic Energy Act of 1954 in many instances limited the proprietary rights of inventors. In these cases Congress delineated the limitations and restrictions with specificity. Congress did not, however, grant to Respondents a *carte blanche* permitting them to publish the subject matter of all pending United States patent applications in any way relating to atomic energy. There is no authority under the statute for the proposed public dissemination of the subject matter of the Petitioner's patent application.

Since Respondents are without authority to make the proposed publication, this is not a suit against the United States.

2. Congress specifically provided for just compensation in other instances in the Act where it provided for a deprivation or limitations of a proprietary right. But it did not make provision for just compensation for destruction of proprietary rights such as the Petitioner's. This further confirms that Congress did not intend to authorize the Respondents' proposed action, to the extent that dissemination of the subject matter of the Petitioner's patent application is concerned. For if Congress had so intended, it presumably would not have excluded such a "taking" from entitlement to just compensation. If Respondents had been granted the authority they claim, without provision for just compensation, the Act would have been to that extent an unconstitutional deprivation of the Petitioner's rights under the Fifth Amendment.

ARGUMENT

1. The Decision of the Court Below That the Atomic Energy Act of 1954 Authorizes the Atomic Energy Commission to Publish and Otherwise Publicly to Disseminate the Subject Matter of a Pending United States Patent Application, Thereby Destroying the Proprietary Rights of the Inventor Therein, Is Contrary to the Language and Meaning of That Act.

This Amicus submits that the language of the Atomic Energy Act of 1954 does not permit the interpretation given it by the Court of Appeals.

The first opinion of the Court below, dated September 19, 1957, states in part as follows:

> "It is also plain that Congress authorized the Commission to take action of this general sort; i.e., to disseminate technical information in the

> field of atomic energy. Congress did not leave the matter to implication. It expressly stated its intention to provide 'a program for the dissemination of unclassified scientific and technical information and for the control, dissemination, and declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress . . . It shall be the policy of the Commission to control the dissemination and declassification of Restricted Data in such a manner as to assure the common defense and security. . . . The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged . . .' 42 U.S.C. (Supp. IV §§ 2013(b), 2161, 2161(b)." (Petitioner's App. B, page 10a).

Although the Court of Appeals asserted that Congress did not leave the matter to implication, nevertheless, it is unable to indicate any specific authority for the Respondents' proposed action. To the contrary, the Court below relies upon Congress having "authorized the Commission to take action of this general sort; i.e., to disseminate technical information in the field of atomic energy", notwithstanding the specificity with which Congress had authorized dissemination of certain kinds of such technical information.

The second opinion of the Court of Appeals, dated June 9, 1958, did not elucidate further upon the question of Congressional authorization of "this sort" of publication. (Petitioner's Appendix D, page 15a).

It must be observed that the provisions relied upon by the Court of Appeals in its earlier opinion are quoted from those sections establishing the purpose of *control of information,* i.e., in respect of the Commission's authority to *restrict* the dissemination of

information. There is no language in these sections or elsewhere in the Act evincing an intention to authorize the Commission to disseminate information which it otherwise would not have the right to publish, and, more particularly, to publish the subject matter of a pending United States patent application, thereby destroying the proprietary rights of the inventor.

To the contrary, the Atomic Energy Act of 1954 recognizes that inventors do have proprietary rights in their inventions, discoveries and patents in the area of atomic energy. Although the Act does in many instances limit the proprietary rights of inventors, such limitations and restrictions are set forth with specificity. For instance, consider the following examples:

> a) Patents may *not* be granted for any invention useful in the utilization of special nuclear material or atomic energy in an atomic weapon.[1] 42 U.S.C. § 2181(a)(b). (Appendix A, *infra*, page 1a). This implies that patents may be granted as to other inventions in or related to the field of atomic energy.
>
> b) Certain inventions conceived under contracts with the Atomic Energy Commission are deemed to have been made or conceived by the Commission, although the Commission may waive its claim to such inventions and allow the inventor to be issued a patent. 42 U.S.C. § 2182. (Appendix A, *infra*, pages 1a-2a). It is here implied that as to inventions *not* conceived during Commission contracts, inventors retain full proprietary rights in

[1] The definition of "special nuclear material" at 42 U.S.C. § 2014 (t) (Appendix A, *infra*, page 1a) does not include the subject matter of Petitioner's patent application. Nor is the subject matter of Petitioner's patent application used in the utilization of atomic energy in atomic weapons, according to the Petitioner's Brief, this not appearing to be controverted by the Respondents.

their inventions, including the right of secrecy of the subject matter of their patent applications.

c) To guard against patents granted after enactment of the Act for inventions or discoveries of primary use in the utilization or production of special nuclear material or atomic energy being used in violation of antitrust laws, a procedure is established to provide relief against the monopolistic use of such patents. 42 U.S.C., § 2188. (Appendix A, *infra*, page 3a). Under these circumstances, reasonable royalty fees are provided for patent owners. *Ibid.* But Respondents apparently take the position that whereas law violators are protected in their property rights, nevertheless, Petitioner, against whom no wrongdoing is asserted, may be deprived of his rights without due process or just compensation.

From the briefs heretofore filed in the case at bar, there is no indication that Petitioner's invention or patent application is particularly covered by any of the foregoing sections of the Act, nor does this Amicus Curiae so imply. However, these sections suggest that Congress has circumscribed in such detail the rights and obligations of inventors in the field covered by the Atomic Energy Act that it reasonably may be concluded that the property rights of inventors in their discoveries are limited only in the manner provided by the Act.

The Act does not provide for the destruction of Petitioner's proprietary right, which would be the effect of Respondents' proposed publication.

It does not grant to Respondents authority to publish the subject material.

It makes no provision for just compensation upon destruction of Petitioner's proprietary right, although

in other instances where the statute recognizes a proprietary right in the inventor and provides for a deprivation or limitation of such right, just compensation also is provided: e.g., 42 U.S.C. §§ 2181, 2183(g), 2188, 2223 (Appendix A, *infra,* pages 1a, 2a, 3a). The provision in 42 U.S.C., § 2223 for just compensation upon communication by the Commission of *Restricted Data* based on patent applications not belonging to the United States raises a serious question as to the authority of the Commission to publish *Unrestricted Data* based on patent applications not belonging to the United States. The proprietary right in the subject matter of a patent application is not diminished by the absence of security classification of the particular invention. Petitioner's property is not within the category of Restricted Data, as defined in 42 U.S.C., § 2014 (r) (Petitioner's App. A, page 2a).

Accordingly, this Amicus Curiae respectfully submits that the Court of Appeals erred in holding that Congress had authorized the Commission to publish or otherwise publicly to disseminate the subject matter of a pending United States patent application, thereby destroying the proprietary rights of the inventor therein.

Inasmuch as the case at bar challenges directly the statutory authority of Respondents to make the proposed publication, it is clearly distinguishable from this Court's ruling in *Larson* v. *Domestic & Foreign Corp.,* 337 U.S. 682 (1949). This is not a suit against the United States, consented or unconsented.

2. If the Decision of the Court Below Is Correct, the Atomic Energy Act of 1954 Is An Unconstitutional Deprivation of Property Without Due Process or Just Compensation.

The argument that the Atomic Energy Act of 1954 does *not* authorize the Atomic Energy Commission to publish the subject matter of a pending United States patent application, thereby destroying the proprietary rights of the inventor therein, where there is no provision for just compensation, is strongly fortified by the constitutional consequences of a contrary conclusion.

The fact that Congress made provision for *other* takings of property under the Act not only controverts the Respondents' asserted authority to publish the Petitioner's property, as discussed, *supra,* but also and by way of corollary, requires the conclusion, under the familiar principle of statutory construction, *expressio unius est exclusio alterius,* that Congress did not intend that the Petitioner be compensated for this particular kind of "taking" of his property. If Respondents had been granted such authority, without provision for compensation, the Act would have been to that extent an unconstitutional deprivation of the Petitioner's rights under the Fifth Amendment, inasmuch as the subject matter of a patent application is a property right recognized in Article 1, Section 8, United States Constitution, to be protected against appropriation by government.

In its opinion of June 9, 1958, after remand by this Court, the Court of Appeals held that "the Constitution does not forbid the publication" proposed by Respondents (Petitioner's App. D, page 15a). However, the Court of Appeals made no finding upon which to sustain this conclusion. It failed to find that the proposed action was authorized, other than that the Com-

mission was authorized "to take action of this general sort"; it failed to find that the Petitioner's property right had become property of the United States so as to permit the Government to dispose thereof, i.e., it failed to find that the Government had acquired a proprietary right in the Petitioner's property; it failed to find that the proposed publication would be a taking for which just compensation must be paid. The Court of Appeals indeed failed completely to determine the legal nature or effect of the proposed publication.

The Court of Appeals noted that the Court of Claims has jurisdiction to render judgment upon any claim against the United States founded either upon the Constitution or any Act of Congress, citing the general jurisdictional statute. 28 U.S.C., § 1491 (Appendix A, *infra,* page 4(a)). In the instant case, however, the Court of Appeals did not find that this was a taking in the constitutional sense, nor that a claim properly would be founded upon the statute, since the Act makes no provision for compensation for publication of *unclassified* material, although compensation is provided for a taking of *Restricted Data.*

The Court of Appeals further relied upon *Larson* v. *Domestic & Foreign Corp., supra.* This case is distinguishable from *Larson* not only as to the challenge of the Respondents' statutory authority, but also in that the purport of the quoted language is hypothesized upon a finding of a taking to support an action for compensation.

Finally, the Court of Appeals, in concluding that "the Constitution does not forbid" the Respondents' proposed action, relied upon *Yearsley* v. *Ross Construction Co.,* 309 U.S. 18, and *United States* v. *Causby,*

328 U.S. 256. These cases are distinguishable from the case at bar in that (1) the governmental action in those cases clearly was authorized by statute; and (2) the statute in the instant case does not provide "a plain and adequate remedy" for the Petitioner. To the contrary, inasmuch as the Court of Claims, in an action for just compensation, would not be bound by the decision of the Court of Appeals herein, and in view of the erroneous basis for the decision of the Court of Appeals, there is a distinct likelihood of a subsequent finding by the Court of Claims that the Respondents' proposed action is not authorized by the statute, and that, therefore, the deprivation of Petitioner's property would not constitute a taking for which there must be just compensation under the Fifth Amendment.

CONCLUSION

In view of the Court below having construed the statute incorrectly, in view of the constitutional consequences of such erroneous construction, and in view of the serious prejudice and economic loss thereby resulting not only to the Petitioner but to many other scientists, it is respectfully submitted that the decision of the United States Court of Appeals for the District of Columbia be reversed.

Respectfully,

AMERICAN CHEMICAL SOCIETY

By

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Its Attorneys

September 30, 1958

APPENDIX A

Atomic Energy Act of 1954:

Section 11(t) (68 Stat. 922, 42 U.S.C. (Supp. IV) § 2014)

"(t) The term 'special nuclear material' means (1) plutonium, uranium enriched in the isotope 233 or in the isotope 235, and any other material which the Commission, pursuant to the provision of section 2071 of this title, determines to be special nuclear material, but does not include source material; or (2) any material artificially enriched by any of the foregoing, but does not include source material."

Section 151 (a) (b); (68 Stat. 943, 42 U.S.C. (Supp. IV) § 2181)

"(a) No patent shall hereafter be granted for any invention or discovery which is useful solely in the utilization of special nuclear material or atomic energy in an atomic weapon. Any patent granted for any such invention or discovery is revoked, and just compensation shall be made therefor.

(b) No patent hereafter granted shall confer any rights with respect to any invention or discovery to the extent that such invention or discovery is used in the utilization of special nuclear material or atomic energy in atomic weapons. Any rights conferred by any patent heretofore granted for any invention or discovery are revoked to the extent that such invention or discovery is so used, and just compensation shall be made therefor."

Section 152; (68 Stat. 944, 42 U.S.C. (Supp. IV) § 2182)

"Any invention or discovery, useful in the production or utilization of special nuclear material or atomic energy, made or conceived under any contract, subcontract, arrangement, or other relationship with the Commission, regardless of whether the contract or arrangement involved the expenditure of funds by the Commission, shall

be deemed to have been made or conceived by the Commission, except that the Commission may waive its claim to any such invention or discovery if made or conceived by any person at or in connection with any laboratory under the jurisdiction of the Commission as provided in section 2053 of this title, or under such other circumstances as the Commission may deem appropriate. . . .

"The Commissioner of Patents may proceed with the application and issue the patent to the applicant (if the invention or discovery is otherwise patentable) unless the Commission, within 90 days after receipt of copies of the application and statement, directs the Commissioner of Patents to issue the patent to the Commission (if the invention or discovery is otherwise patentable) to be held by the Commission as the agent of and on behalf of the United States. . . ."

Section 153 (a), (g); (68 Stat. 945, 42 U.S.C. (Supp. IV) § 2183)

"(a) The Commission may, after giving the patent owner an opportunity for a hearing, declare any patent to be affected with the public interest if (1) the invention or discovery covered by the patent is of primary importance in the production or utilization of special nuclear material or atomic energy; and (2) the licensing of such invention or discovery under this section is of primary importance to effectuate the policies and purposes of this chapter.

* * * * *

(g) The owner of the patent affected by a declaration or a finding made by the Commission pursuant to subsection (b) or (e) of this section shall be entitled to a reasonable royalty fee from the licensee for any use of an invention or discovery licensed by this section. Such royalty fee may be agreed upon by such owner and the patent licensee, or in the absence of such agreement shall

be determined for each patent license by the Commission pursuant to section 2187(c) of this title."

Section 158; (68 Stat. 947, 42 U.S.C. (Supp. IV) § 2188)

"Whenever the owner of any patent hereafter granted for any invention or discovery of primary use in the utilization or production of special nuclear material or atomic energy is found by a court of competent jurisdiction to have intentionally used such patent in a manner so as to violate any of the anti-trust laws specified in section 2135(a) of this title, there may be included in the judgment of the court, in its discretion and in addition to any other lawful sanctions, a requirement that such owner license such patent to any other licensee of the Commission who demonstrates a need therefor. Such licensee shall pay a reasonable royalty fee, to be determined in accordance with section 2187 of this title, to the owner of the patent."

Section 173 (68 Stat. 953, 42 U.S.C. (Supp. IV) § 2223)

"In the event that the Commission communicates to any nation any Restricted Data based on any patent application not belonging to the United States, just compensation shall be paid by the United States to the owner of the patent application. The Commission shall determine such compensation. If the compensation so determined is unsatisfactory to the person entitled thereto, such person shall be paid 75 per centum of the amount so determined, and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States for the district in which such claimant is a resident in a manner provided by section 1346 of Title 28 to recover such further sum as added to such 75 per centum will constitute just compensation."

62 Stat. 940, 28 U.S.C. § 1491

"The Court of Claims shall have jurisdiction to render judgment upon any claim against the United States:

(1) Founded upon the Constitution; or

(2) Founded upon any Act of Congress; or

(3) Founded upon any regulation of an executive department; or

(4) Founded upon any express or implied contract with the United States; or

(5) For liquidated or unliquidated damages in cases not sounding in tort."

SUPREME COURT, U. S.

No. 339

DEC
JAMES

IN THE

Supreme Court of the United States

OCTOBER TERM, 1958

JEROME S. SPEVACK, *Petitioner*

v.

LEWIS L. STRAUSS, ET AL., *Respondents*

On Writ of Certiorari to the United States Court of Appeals for the District of Columbia Circuit

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BRIEF FOR THE PETITIONER

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IN THE

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No. 339

JEROME S. SPEVACK, *Petitioner*

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On Writ of Certiorari to the United States Court of Appeals for the District of Columbia Circuit

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BRIEF FOR THE PETITIONER[1]

OPINIONS BELOW

The District Court rendered no formal opinion on entering its Findings of Facts and Conclusions of Law

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[1] No part of this Brief or its appendices contains any disclosure of the secret processes or of other information the disclosure of which could prejudice Petitioner's rights. Under this Court's Orders of July 3, 1958 and October 27, 1958 Respondents' counsel should observe similar caution.

and Order Denying Petitioner's Motion for a Preliminary Injunction on the ground of mootness. (R. 17, J.A. 17).[2]

The previous opinion of the Court of Appeals for the District of Columbia Circuit rendered September 19, 1957 (Appendix B, *infra,* p. 9a) which did not reach the question of mootness, referred to jurisdictional grounds only. It is reported at 248 F. 2d 752, 101 U. S. App. D. C. 339, and was vacated by this Court's decision in No. 641, October Term, 1957, 355 U. S. 601.

The opinion of the Court of Appeals of the District of Columbia Circuit of June 9, 1958, for review of which the present writ was granted is reported at 257 F. 2d 208. (Appendix D, *infra,* p. 14a).

JURISDICTION

The judgment of the Court of Appeals was entered on June 9, 1958. (Appendix D, *infra,* p. 16a). Petitioner's suggestion that the Court of Appeals should vacate its opinion and judgment contained in his "Answer to Order to Show Cause" (NR 47) which was filed on June 11, 1958, and which was

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[2] References herein to the Court of Appeals record consisting of 134 pages used in conjunction with the first Petition for a Writ of Certiorari filed in this matter (No. 641, October Term, 1957) are denoted "R. ....)". References to the subsequent Court of Appeals Record certified to this Court are denoted "NR. ....)". "J.A." and "S.A." refer respectively to the joint appendix and supplemental appendix printed in the Court of Appeals, 9 copies of each of which have been filed in this Court. "TR" refers to the transcript of April 18-19, 1957 in the Trial Court, which has also been filed in this Court. The record has not been printed because of this Court's impounding order of October 27, 1958. See "Designation of Record (or Substitute Therefor)" filed November 14, 1958, and stipulation filed December 8, 1958.

similar to a Petition for Rehearing, was denied on June 24, 1958. (NR 53). The Petition for a Writ of Certiorari herein was filed September 6, 1958, and was granted October 27, 1958. The jurisdiction of this court rests on 28 U. S. C. Sec. 1254.

QUESTIONS PRESENTED

1 (WAS STATUTE CORRECTLY INTERPRETED?). Whether the Atomic Energy Act of 1954 is correctly interpreted to direct or authorize the Respondents to deprive a citizen of private property rights in his invention, forming the subject matter of a pending U. S. patent application and disclosed to the U. S. Atomic Energy Commission (sometimes termed A. E. C. hereinafter) in confidence in accordance with law, by publishing and/or publicly disseminating said subject matter without regard to the proprietary right of the inventor thereof, without his consent, and to his detriment—

A (*Where Constitutional Authority is Limited to Property of the United States*). Where said Act must be construed to conform to the limited power given to Congress by the Constitution to dispose only of "*property belonging to the United States*", and not of property which is owned by a private citizen. (Article 4, Section 3 and Amendments IX and X of the Constitution of the United States);

B (*Where Respondents Proposed Disclosure is Not Within the Limited Authority of the Atomic Energy Act*). Where consistent with its powers, Congress in said Act conferred upon the Respondents only limited authority to control dissemination of information: *i.e.*

(1) limited authority under Secs. 141, 144 and 123 for non-public communication to "other nations" cooperating and in privity with the A. E. C. of certain types of "Restricted Data" (as defined in Sec. 11(r) of the Act within which definitions the Petitioner's invention does not fall), the Act expressly providing in Sec. 173 for compensation for such non-public communication of "Restricted Data" based on any patent application not belonging to the United States", (42 U. S. C. Secs. 2161, 2164, 2153, 2014(r) and 2223);

(2) limited authority under Secs. 2(b) and 3(b) for "permitting the property of the United States to be used by others" including by dissemination of "unclassified" scientific and technical information owned by the United States (or in the public domain), (42 U. S. C. Secs. 2012(b) and 2013(b));

(3) limited authority under Sec. 142(a) for determining the data "within the definition of Restricted Data" which can be published (by the owner thereof) and causing such data to be removed from the category of Restricted Data (defined in Sec. 11(r)) subject to the further limitation under Section 141(b) that dissemination of scientific and technical information relating to "atomic energy" (as defined in the Act, within which definition Petitioner's invention does not fall) "should be permitted and encouraged" (42 U. S. C. Secs. 2162(a), 2014(r), 2161(b));

C (*Where There is No Express Authority in the Act and There Are Specific Statutory Prohibitions*). Where said Act contains no *express direction or authority* to the Respondents to publish and/or publicly disseminate privately owned information disclosed to them in confidence, and no express provision for compensation for such action inferring such direction or authority, but on the contrary provides in Sec. 146 (42 U. S. C. Sec. 2166) that the Respondents "shall have no power to control or restrict the dissemination of information other than that granted by this or any other law" and that "sections 141 to 145, inclusive" (42 U. S. C. Secs. 2161-2165) "shall not exclude the applicable provisions of any other laws", e.g.

(1) the general prohibition under penalty of fine and/or imprisonment and removal from office, against the publication or disclosure in any manner of privately owned information received by Respondents as government officials in confidence, 18 U. S. C. Sec. 1905, and

(2) the specific provision of the Patent Law that U. S. patent applications shall be "kept in confidence" by the Patent Office and hence by those in privity with it, 35 U. S. C., Sec. 122 and 37 C. F. R., Sec. 1.14;

D (*Where Respondents Authority Under the Patent Act to Deal with Information Here Involved Has Been Exhausted*). Where the citizen's invention does not fall within the definition of "Restricted Data" or "atomic energy" as defined in said

Act and the sole authority of the Respondents for controlling dissemination thereof was derived, not from said Act, but from the Patent Act of 1952, 35 U. S. C., Secs. 181-188, and was exhausted when they took the following four steps:

(1) when they caused a secrecy order to be issued in said application under 35 U. S. C. Sec. 181, and

(2) when they refused to permit the Commissioner of Patents to consent to modification of the secrecy order to permit filing of applications for foreign patents under 35 U. S. C. Sec. 184, and

(3) when they caused the subject matter of the said application to be used by the United States Government as implicitly authorized by 35 U. S. C. Sec. 183, and

(4) when they subsequently, pursuant to 35 U. S. C. Sec. 181, notified the Commissioner of Patents that the secrecy order might be rescinded;

E *(Where Respondents Proposed Publication Constitutes a Breach of Trust)*. Where such publication and/or public dissemination without the inventor's consent would be in violation of the obligations of trusteeship placed upon Respondents by the Patent Act, 35 U. S. C. Secs. 122 and 181-188, the Regulations pursuant thereto, 37 C. F. R. Secs. 1.14 and 5.1 and the Criminal Law applicable to breach thereof 18 U. S. C. Sec. 1905;

F (*Where Respondents Have Not Exercised Specific Authority To Acquire the Private Property Rights Involved for the United States*). Where Congress recognized the constitutional limitations on the government's power to dispose only of property of the United States, by specifically authorizing the A. E. C., by Secs. 161(g) and 261 of the Act, in the "performance of its functions" to acquire or purchase personal property or property rights, such as are here involved, from the owners thereof as agent for and on behalf of the United States (42 U. S. C. 2201(g) and 2017).

2 (DID THE COURT'S INTERPRETATION RENDER THE STATUTE UNCONSTITUTIONAL AS AUTHORIZING A DISPOSAL OF PROPERTY NOT BELONGING TO THE UNITED STATES?). Whether Sections 3(b), 141 and 141(b) of the Atomic Energy Act of 1954 (42 U. S. C. Secs. 2013(b), 2161, and 2161(b))—interpreted to direct or authorize the Respondents to deprive a citizen of private property rights in his invention, forming the subject matter of a pending U. S. patent application, and disclosed to the A. E. C. in confidence in accordance with law, by publishing and/or publicly disseminating said subject matter without regard to the proprietary rights of the inventor thereof, without his consent, and to his detriment — are unconstitutional, *inter alia*, as in excess of the power given to Congress by Article 4, Section 3 and Amendments IX and X of the Constitution of the United States, to dispose only of "property belonging to the United States", and *not* of property belonging to a private citizen.

3 (DID THE COURT'S INTERPRETATION RENDER THE STATUTE UNCONSTITUTIONAL AS AUTHORIZING A DEPRIVATION OF PROPERTY WITHOUT DUE PROCESS OR COMPENSATION?). Whether an interpretation of Sections 3(b), 141, and 141(b) of the Atomic Energy Act of 1954 (42 U. S. C. Secs. 2013(b), 2161, 2161(b)) to authorize the Respondents to dispose of an inventor's personal property rights in his invention, disclosed to them in confidence, by publishing the subject matter thereof without his consent and without first lawfully acquiring or purchasing for the United States the right to so dispose of such property as elsewhere provided for in the Act, renders the Act unconstitutional as regards said sections, *inter alia*, as authorizing a deprivation of private property without due process of law, or a taking thereof without provision for just compensation, as required by the 5th Amendment of the Constitution, where the Act does not expressly authorize such action, and does not implicitly authorize such action by an express provision for just compensation therefor.

4 (DOES THIS ACTION TO ENJOIN GOVERNMENT OFFICERS FROM BREACHING CONFIDENCE AND DESTROYING PRIVATE PROPERTY RIGHTS OF AN INVENTOR FAIL TO STATE A CLAIM ON WHICH RELIEF CAN BE GRANTED?). Whether an action, brought by a citizen of the United States against the Respondents to enjoin them from publicly disclosing his invention entrusted to them in confidence, fails to state a claim on which relief can be granted, and should be dismissed:

(a) where the invention and U. S. patent application were revealed to the A. E. C. in confidence; and

(b) where the citizen's proprietary interests as an inventor and applicant for U. S. patent include the prerogative, until a patent issues, of maintaining his invention in secret for preserving his right to seek patent protection and promotion thereof in foreign countries as well as in the United States; and

(c) where the subject matter of a privately owned United States patent application is required to be maintained in secrecy by the United States Government under 35 U. S. C., Secs. 122 and 181 and 37 C. F. R. 1.14 and 5.1; and

(d) where government officers are subject to criminal penalties for divulging information received in confidence, 18 U. S. C. Sec. 1905; and

(e) where the said invention and U. S. patent application were subjected, at the instance of the A. E. C., to security classification and a "Secrecy Order" issued in the U. S. Patent Application under 35 U. S. C. Sec. 181; and

(f) where such "Secrecy Order" prohibited the inventor from making applications for foreign patents on his invention under the International Convention and thereafter, until the subject matter was declassified and the Secrecy Order rescinded on February 1, 1957; and

(g) where the A. E. C. under 35 U. S. C. Sec. 184, refused to consent to modification of the "Secrecy Order" to permit the inventor to file such application even in Canada; and

(h) where the publication threatened by Respondent would destroy proprietary rights of the inventor

including his right to apply for and obtain valid patents for the concerned invention in many foreign countries; and

(i) where Congress under the Constitution of the United States, and more particularly under the delegation of powers in Article 4, Sec. 3 and the limitations of powers under the 5th, 9th and 10th Amendments thereto, is forbidden to authorize the A. E. C. to violate private property rights by publicly disclosing privately owned inventions entrusted to it in confidence; and

(j) where Congress recognized this limitation on its powers in Sec. 2(b) of the Act (42 U. S. C. Sec. 2012(b)), and gave authority to the A. E. C. in Sec. 161(g) of the Act (42 U. S. C. 2201(g)) to purchase rights in personal property which it might wish to deal with on behalf of the United States, which course has not been followed by Respondents; and

(k) where there is in said Act no express provision for compensation—to the owner of an invention, disclosed to the Atomic Energy Commission in confidence, for property rights destroyed by public dissemination thereof by said Commission without his consent — from which to imply authority to so disseminate; and no express direction to the Commission to so disseminate from which to imply an assumption of liability for just compensation under 28 U. S. C. Sec. 1491.

5 (WAS PETITIONER DENIED A PROPER "HEARING" AND WAS THERE COMPETENT PROOF OF MOOTNESS IN THE DISTRICT COURT?) A question not reached by the

Court of Appeals, but proper to be considered by this Court in its discretion, is whether the District Court was in error in concluding that this action was moot, which constituted a final disposition of the case—

(a) where such conclusion was based merely on affidavits filed by Respondents all of which were founded on hearsay and/or were incompetent in other respects,[3] and

(b) where Petitioner was denied a proper "hearing" including the right to cross examine the affiants.

6 (How Could the Injunction Sought Be Futile Where Rights Remain?) A further question not reached by the Court of Appeals but proper to be considered by this Court in its discretion, is whether, assuming *arguendo* that the affidavits filed by the Respondents in the District Court were competent and did show a limited publication by Respondents of subject matter of Petitioner's invention in a certain few countries (without his consent), the District Court was in error in finding that this action was moot, where such limited unconsented publication would not destroy Petitioner's right to apply for and obtain valid patents

[3] In the case as now presented, the affidavit of John R. Hall, Acting Assistant Manager for International Activities of the Atomic Energy Commission, filed in this Court on July 3, 1958 (Appendix E, *infra*, p. 17a) evidences that in fact there was no publication of the invention here concerned as incompetently alleged in the exhibits filed in the District Court. (See Argument III, p. . . . , *infra*) As shown in the Affidavit of Jerome S. Spevack, filed in this Court on August 25, 1958, a publication not authorized by Petitioner has been made of some of the improved processes involved in Petitioner's patent application as described in his Complaint filed in the United States District Court for the District of Columbia, but such publication does not render this action moot.

for the invention in many other countries in the absence of further publication *in* such other countries, respectively, and where the Respondents threaten further promulgations if not enjoined therefrom.

7 (DID THE COURT OF APPEALS COMPLY WITH THIS COURTS' MANDATE?) Further questions presented in this case are:

(a) whether the Court of Appeals properly interpreted and complied with the mandate of this Court,

(b) whether it properly assumed, as implied by its decision on remand, that this Court would grant certiorari and vacate a judgment of dismissal to merely correct a matter of procedure in a case deemed properly dismissable, and

(c) whether the Court of Appeals abused its discretion and acted in a manner contrary to the proper functioning of the Federal judiciary in ordering dismissal of the amended complaint without determining the issues of mootness raised by Petitioner's appeal, in the face of the mandate of this Court that it "determine . . . the issues raised by Petitioner's appeal".

CONSTITUTIONAL PROVISIONS, STATUTES, AND RULES INVOLVED

United States Constitution, Article 1, Section 8; Article 4, Section 3; 5th, 9th and 10th Amendments; *Atomic Energy Act of 1954,* Secs. 1, 2, 3, 11, 123, 141, 142, 144, 146, 161, 173, 261; *Patent Act of 1952,* Secs. 122, 181, 184; *Code of Federal Regulations, Title 37,* Part 1, Sec. 1.14; Part 5, Sec. 5.1; *Criminal Code,*

18 U. S. C. Sec. 1905; *Judicial Code,* 28 U. S. C. Sec. 1491; *Federal Rules of Civil Procedure,* Rule 56(e); are set forth in Appendix A, *infra,* pp. 1a-9a.

STATEMENT OF THE CASE[4]

Prior to Suit

Earlier Invention

In 1942, Petitioner invented a "Dual Temperature" process of isotope concentration. (Publication MDDC-891, United States Atomic Energy Commission, 2 pages, declassified February 26, 1947.) Though not under patent assignment agreement when that invention was made, Petitioner in 1943 assigned that invention and application for patent thereon to the Government. That invention was held under a "Secrecy Order" until February 1, 1957, and U. S. Patent No. 2,787,526 issued to the Government thereon April 2, 1957. (R. 2, Complaint para. 2, J.A. 2)[5] Publication of that invention by the Government is not in issue here.

Petitioner was employed at Columbia University by various contractors to the Manhattan Engineering District, predecessor of the A. E. C., from 1943 through June, 1946. After early 1944 that employment had no relation to the aforementioned invention or the invention involved herein, but related to different fields entirely.

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[4] This statement is in somewhat more detail than would otherwise be required, because of inaccurate and misleading statements of opposing counsel in prior pleadings, briefs and arguments in this action.

[5] See Footnote 2, page 2 *supra,* re record references.

Petitioner's New Process: Disclosed to A.E.C. in Confidence

After June, 1946, Petitioner was self-employed during which period he independently invented the improved isotope concentration process, particularly, but not exclusively, adapted for the production of heavy water, involved in the present controversy (hereinafter sometimes called "new process"). On May 27, 1948, he made the existence and availability of his new process known to the A. E. C. (Letter to Burns dated July 2, 1948 attached to Spevack affidavit filed in Court of Appeals, R. 75-76). He disclosed the substance of his new process to the A. E. C. in confidence, in compliance with the spirit of the Atomic Energy Act of 1946, on August 8, 1949 and thereafter. Said disclosures were designated "Classified Security Information" by the A. E. C. (R. 1-3, Complaint, paras. 2, 4, 5, J.A. 1, 2, 3).

Petitioner as Independent Contractor Prepared Report for and Rendered Services to A.E.C.

In October, 1949, pursuant to a special contract with the A. E. C. which expressly referred to and reserved his proprietary rights in the new process, he submitted as an independent contractor, a report showing how the new process could be embodied in a heavy water pilot plant (R. 1-2, Complaint paras. 2, 5, J.A. 1-2; and R. 47, J.A. 47). Petitioner's new improved process was used and is being used in Government built plants for the production of heavy water. (R. 48, J.A. 48). From 1950 to 1953, Petitioner rendered services to the A. E. C. as an independent contractor under further special contracts which expressly referred to and reserved his proprietary rights in his new process, to be made the subject of a U. S. patent application of Petitioner.

Petitioner's Patent Application; Disclosed to A.E.C. by Patent Office; Secrecy Order

The Petitioner duly filed his U. S. Patent Application on his new process September 29, 1950, S. N. 188,925; a copy thereof was supplied by the Patent Office to the A. E. C. on October 23, 1950, pursuant to 35 U. S. C. Sec. 42 (now 35 U. S. C., Sec. 181, Appendix A, *infra,* p. 5a); and on October 31. 1950, the new process was put under "Secrecy Order" at the instance of the A. E. C. (R. 1, 3, 7, 9, Complaint paras. 2, 4, 7, and Exhibit A thereto, J.A. 1, 2, 3, 9).

Effect of Secrecy Order

This Secrecy Order directed Petitioner to in no wise disclose the invention, etc. (new process) in any way to any person, under penalties of law, and hence prevented petitioner from taking any steps toward filing foreign patent applications (R. 3, Complaint para. 8, J.A. 3). Petitioner sought a modification of the Secrecy Order to permit filing of an application in Canada in 1951, but this was denied by the Patent Office at the instance of the A. E. C. (R. 3, R. 19, Complaint, para. 9, J.A. 3 and Exhibit B to Complaint, J.A. 10).

Petitioner's Plea That Respondents Not Publish His Invention

On February 1, 1957, the "Secrecy Order" was rescinded, and at the same time, the A. E. C. declassified and threatened to publish material disclosing the subject matter of Petitioner's patent application (R. 4, Complaint, para. 11, J.A. 4). Petitioner, through counsel, promptly on February 1, 1957 and thereafter attempted unsuccessfully to obtain firm assurance from the A. E. C. that it would not publish

material disclosing the subject matter of his patent application (R. 5, Complaint, para. 14, J.A. 5), pointing out that such publication before he could finance and file patent applications abroad would be a breach of confidence and would destroy property rights of Petitioner in his new process. (R. 4-7 Complaint, paras. 12, 13, 14, 15, 16, 17, J.A. 4-7, and affidavits of Spevack, Parker and Houghton filed in the Court of Appeals, R. 72-78).

Respondents in Privity With Patent Office

The subject matter of Petitioner's patent application on the new process, all the claims of which have now been allowed by the U. S. Patent Office, is required to be maintained in secrecy by the Patent Office under 35 U. S. C., Sec. 122 (Appendix A, *infra,* p. 5a), and the A. E. C. is in privity with the Patent Office under 35 U. S. C., Sec. 181 (Appendix A, *infra,* p. 5a).

PROCEEDINGS IN DISTRICT COURT (ALL IN 1957)

Suit Filed

When Petitioner's aforementioned efforts failed, he filed on April 10, a Complaint for an Injunction (R. 1, J.A. 1). The jurisdiction of the District Court was invoked under its general powers and equity jurisdiction (R. 1, Complaint, para. 1, J.A. 1) and because the acts threatened by Respondents were "illegal" and "unlawful" (R. 2, Complaint, para. 3, J.A. 2). On April 10 that Court issued a Temporary Restraining Order, *ex parte,* enjoining respondents from publishing the subject matter of petitioner's new process (R. 14, J.A. 14).

Finding of Jurisdiction; Errors; Ground of Decision

On April 18 and 19 proceedings on Petitioner's Motion for Preliminary Injunction were held *in camera* to guard against public disclosures detrimental to Petitioner. The Court specifically found it had jurisdiction and overruled Respondent's contention that this was an unconsented suit against the United States (R. 57-58, J.A. 57, 58). On April 19 *ex parte* exhibits most of which were affidavits just prepared by employees and agents of Respondents were produced (sole evidence produced by Respondents) which asserted that actions alleged to constitute a publication by Respondents had occurred prior to the institution of this suit. (R. 62-63; J.A. 62-63). The Court denied Petitioner's request to cross-examine the affiants (R. 61, 67; J.A. 61, 67), ignored Petitioner's argument as to the competence of the exhibits (R. 67-71, J.A. 67-71) and denied the motion on the ground of mootness, solely on the basis of said exhibits. The Court issued a Stay pending application to the Court of Appeals (R. 68, J.A. 68). Appeal was noted April 22 (R. 38, J.A. 38).

PROCEEDINGS IN COURT OF APPEALS AND ON MOTION FOR PRELIMINARY INJUNCTION IN THIS COURT (ALL IN 1957)

Stay Continued

On April 26, the Court of Appeals ordered Respondents to refrain from disclosures concerning the new process, and ordered the Clerk to continue the impounding of the record and pleadings. On May 28, the appeal was submitted on briefs.

Ruling of No Jurisdiction

The Court of Appeals, on September 19, issued its opinion that the District Court lacked jurisdiction because this was an unconsented suit against the United States (Appendix B, *infra,* p. 9a) and entered judgment directing the District Court to dismiss the complaint (Appendix B, *infra,* p. 11a).

Motion to Amend and Petition for Rehearing

On October 1, Petitioner filed in the Court of Appeals a "Motion for Leave to File an Amended Complaint . . ." (R. 87) (Amendments without motion, Appendix C, *infra,* p. 12a) to amplify the allegations of jurisdiction, grounded upon 28 U. S. C., Sec. 1653, which statute states "defective allegations of jurisdiction may be amended upon terms in trial or appellate courts", and upon F. R. C. P., Rule 15; and gave written notice of the existence of a constitutional question to the Chief Judge of the Court of Appeals in accordance with that Court's Rule 30. (R. 121) On October 4, a Petition for Rehearing, along with certain motions to maintain the *status quo,* were filed.

Motion and Petition Denied

The Court of Appeals on October 25, denied the Motion for Leave to File an Amended Complaint, etc., (R. 124), and the Petition for Rehearing (R. 123). A stay until October 30 was then obtained to permit an application for a stay in this court.

Supreme Court Stay

On October 29, Petitioner filed in this Court his Motion for Preliminary Injunction or Stay. On

November 2 "Petitioner's Reply to Respondent's Opposition, . . ." was filed, and on November 4 Petitioner's "Supplement to Petitioner's Reply to Respondents' Opposition . . ." On November 4, the Chief Justice of the United States entered an order enjoining Respondents and their successors from further disclosures of the new process, on terms.

Substitution of Parties, etc.

Subsequent to November 4, the Court of Appeals entered orders staying transmission of judgment (R. 125) and approving a stipulation (R. 131) amending the complaint with respect to parties, and stipulating that the original and new defendants, unless otherwise ordered by the Court, intend to take the action sought to be enjoined by this suit.

THE PROCEEDINGS IN THE SUPREME COURT ON FIRST PETITION FOR CERTIORARI

First Petition for Certiorari

The Petitioner's first Petition for Certiorari to review the decision of September 19, 1957 was filed on December 4, 1957. The American Chemical Society and the Engineers Joint Council filed amicus curiae briefs in support thereof. On March 3, 1958, this Court granted the petition and acted thereon, ruling as follows:

> "PER CURIAM: The petition for certiorari is granted. The judgment of the Court of Appeals, and the orders of the Court of Appeals denying petitioner's motion for leave to amend the complaint and petition for rehearing, are vacated. The case is remanded to the Court of Appeals with instructions (1) to allow petitioner's proposed amendments to the complaint and (2) to deter-

mine, in light of the amended complaint, the issues raised by petitioner's appeal."

First Supreme Court Stay Extended

On March 31, 1958, this Court extended its original stay, stating in part as follows:

> "It is ordered that the stay order of November 4, 1957 be and the stay is hereby continued to permit the United States Court of Appeals for the District of Columbia Circuit to consider and pass on a motion seeking similar relief presented that Court on March 21, 1958."

PROCEEDINGS IN THE COURT OF APPEALS AFTER REMAND, AND ON MOTION FOR PRELIMINARY INJUNCTION, ETC. IN THAT COURT (ALL IN 1958.)

This Court's Order of March 31, 1958 Continued in Effect

On April 16, 1958 the Court below held in abeyance action on Petitioner's motion for a stay or preliminary injunction filed March 21, 1958 in that Court, thereby leaving in effect this Court's Order of March 31, 1958.

Second Opinion of the Court of Appeals

On June 9, 1958, the Court of Appeals handed down its second opinion in this action (Appendix D, p. 14a) reiterating in substance that the Act authorized the publication sought to be enjoined and stating that: "We now hold that the Constitution does not forbid the publication . . . Appellant's amended complaint therefor fails to state a claim on which relief can be granted.", and ordering the case to be remanded to the District Court "with instructions to dismiss the amended complaint".

Order to Show Cause and Proceedings Thereunder

On June 10, 1958, the Court of Appeals issued an order to Appellant (Petitioner) to show cause on or before June 11, 1958 why the motion for a preliminary injunction filed by Appellant on March 21, 1958 should not be denied. On June 11, 1958, Appellant filed his answer to the order to show cause and suggested therein that the Court should *sua sponte* vacate its opinion on the ground that, even if the Atomic Energy Act could properly be interpreted to authorize publications of "scientific and technical information relating to atomic energy" or of material which had been properly classified as "Restricted Data", such authority to publish did not extend to the subject matter of the Appellant's invention (NR 47). Thereafter the Appellees filed their opposition to Appellant's answer to the order to show cause.

Ruling on Motion for Preliminary Injunction

On June 24, 1958 the Court entered its order which (1) denied Appellant's motion for a preliminary injunction, filed March 21, 1958, but (2) (Appellant having indicated that he intended to apply to the Supreme Court of the United States for a Writ of Certiorari) enjoined the Appellees from further promulgation or disclosures, etc. to and including July 31, 1958, to enable Appellant to apply to the Supreme Court for a Writ of Certiorari and further stay, (3) directed the Clerk to continue the impounding of the record to and including July 31, 1958, and (4) denied Appellant's suggestion that the Court vacate its opinion and judgment of June 9, 1958. (NR 53).

SUPREME COURT STAY AND PROCEEDINGS INCIDENT TO SECOND WRIT OF CERTIORARI

On July 3, 1958 the Chief Justice of the United States issued an order enjoining the Respondents from further promulgations of disclosures, etc., concerning the improved processes involved in Petitioner's patent application . . . (Appendix F, *infra*, p. 19a).

Petitioner's Motion for Discovery

On August 25, 1958, the Petitioner called to the attention of this Court certain facts indicating that the Respondents may have violated the Orders of this Court, and prayed that an Order be issued requiring the Respondents to answer certain interrogatories to inform this Court of further facts peculiarly within their knowledge and control, and that appropriate actions be taken in the premises. A memorandum asserting facts having been submitted by Respondents, a reply was filed by Petitioner pointing out that taken at its face value the memorandum admits violation of the orders of this Court by failure of Respondents to fulfill their duties to this Court as defined in *In re Transamerica Corp.*, C.A. 9, 1950, 184 F. (2d) 319, Cert. Denied 71 S. Ct. 197, 340 U.S. 883, 95 L. Ed. 641, rehearing denied 71 S. Ct. 278; 340 U.S. 907, 95 L. Ed. 656.

Present (Second) Petition for Certiorari

The Petition for the present Writ was filed September 6, 1958. Again, amicus curiae briefs in support thereof were filed by American Chemical Society and Engineers' Joint Council. Certiorari was granted October 27, 1958, at which time motions for leave to use previously certified record and to

impound the records were granted, and the motion for discovery was denied.

SUMMARY OF ARGUMENT

A. On Respondents' Authority

The Court below has held that the Act (Atomic Energy Act of 1954) authorizes the Respondents to publish Petitioner's invention disclosed to them in confidence, without his consent. The Court below has further held that the Constitution does not forbid the publication.

These holdings, as we shall show in Point I, are voided by the limitations on the authority of Congress in the Constitution itself. Further, the act nowhere expressly purports to delegate to Respondents authority to publish the Petitioner's confidentially disclosed invention without his consent, and contains statutory limitations on the authority delegated which exclude any such authority to publish (Point II). And further, the act expressly subjects the Respondents to "other applicable laws" which clearly negative any such authority (Point III).

Summarizing these points before proceeding to the further matters involved:

I. *Constitutional Limitations:* Under the Constitution, Article IV, Section 3, Clause 2 and Amendments IX and X, Congress is authorized to dispose only of "property belonging to the United States", and therefore could not itself dispose of property owned by a citizen without his consent, and could not delegate to Respondents authority to do so.

This Constitutional limitation has been appreciated by this Court (*Ashwander* v. *Tennessee Valley*

Authority, 297 U.S. 288, 300). It has been acknowledged by Congress in many statutes, and in the Atomic Energy Act itself. It has been acknowledged by the Respondents themselves in their Agreements for Cooperation with foreign nations. It is the fundamental law and stands as a complete bar to the interpretation placed on the Act by the Court below.

II. *Statutory Limitations:* The Act itself puts statutory limitations on the authority delegated to Respondents. It specifically authorizes them to deal with "property of the United States" (Sec. 2b), and it gives them authority to acquire certain property for the United States (Sec. 161g), and it authorized them to classify certain information meeting the definition of "Restricted Data" as set forth in the Act (Secs. 141 and 11r), to disseminate the information meeting such definition in confidence under certain restrictions (Sec. 123 and 173), and ultimately to declassify such "Restricted Data", and thus remove it from that category (Sec. 142a). The Act also instructs the Respondents to be guided by the principles: "The dissemination of scientific and technical information relating to Atomic Energy should be permitted and encouraged * * *" (Sec. 141 b), but does not instruct the Respondents that they shall publish even such information relating to atomic energy when privately owned, without the consent of the owner.

Here, the Petitioner's new process does not fall within the definition of "Restricted Data" (Sec. 11r). It does not relate to Atomic Energy as defined in the Act (Sec. 11c). Hence the Act itself does not authorize the Respondents to deal with Petitioner's new process invention in any way. Indeed, the Act

specifies that the Commission "shall have no power to control or restrict the dissemination of information" (generally) "other than as granted by this or any other law" (Sec. 146b), and that the applicable provisions of any other laws are not excluded (Sec. 146a).

But the Court below did not rely on these "other laws" (Point III) as the basis for its ruling that the Act authorized the Respondents to disseminate and destroy Petitioner's rights in his privately owned information. Hence, it is clear that the Court below erred in ruling that the limited powers delegated by the Act embrace authority to publish the Petitioner's secret process, which was disclosed to Respondents in confidence, without his consent and to his detriment.

III. *Applicable Other Laws.* Section 146 of the Act subjects the Respondents to "applicable other laws".

Section 122 of the Patent Act, requiring that the subject matter of patent applications be kept in confidence by the Patent Office, is applicable to the Respondents since they are placed in privity with the Patent Office by Sections 181-184 of the Patent Act. Nothing in these sections authorizes the Respondents to publish Petitioner's invention; said Section 122 forbids such publication; and U. S. Code, Title 18, Section 1905, makes such publication a crime. Thus the "applicable other laws" also conclusively require that the decision below be vacated and that Petitioner's rights be protected.

B. On Mootness

The Court below did "not reach" the matter of alleged mootness, which formed the basis of the

District Court's decision, but such matter is proper, and indeed necessary, to be considered here, and with respect thereto, as we shall show in Points IV A-E, the District Court's decision was founded on error in five independent respects, any of which constitutes grounds for vacating the ruling of mootness. Summarizing these points:

The case is not moot as found by the District Court, because such ruling was made on a motion for preliminary injunction on mere exhibits and without a "hearing", which would require testimony by witnesses and right to cross-examine, as contemplated by F.R.C.P. 65(a).—Point IV A.

The case is not moot because Respondents' exhibits, some of which were not even affidavits, were incompetent, in that they contained hearsay, were not on personal knowledge, contained conclusions, and did not measure up to the standards of F.R.C.P. 56(e), which should have been observed since the ruling of mootness under the circumstances, if allowed to stand, would be dispositive of the case.—Point IV B.

The case is not moot, in that the Respondents' exhibits did not in fact show a "publication", even if otherwise acceptable.—Point IV C.

The case is not moot, because to bar Petitioner's right to apply for and obtain patents in many foreign countries, any of which could be an invaluable right, it would be necessary to prove a publication *within each such country,* which was not done.—Point IV D.

Finally, the case is not moot, because a partial breach of confidence, if accomplished, does not render the Court powerless to grant relief against further breaches of confidence.—Point IV E.

C. On Statement of a Claim

It being shown that Respondents are not authorized to publish the Petitioner's invention, that they are forbidden by law from doing so without Petitioner's consent, and that the case is not moot, it follows that the conclusion of the Court below that the amended complaint fails to state a claim upon which relief can be granted is without support, and should be vacated, as requested by Petitioner prior to entry of final judgment, and the preliminary injunction should have been issued as prayed.—Point V.

ARGUMENT

I

UNDER THE CONSTITUTION CONGRESS CAN DISPOSE ONLY OF "PROPERTY BELONGING TO THE UNITED STATES", AND THEREFORE COULD NOT DELEGATE ANY GREATER AUTHORITY TO THE RESPONDENTS

(Constitutional Limitations). The Court of Appeals ruled "We now hold that the Constitution does not forbid the publication" (of the Petitioner's trade secrets). In so ruling, the Court of Appeals overlooked the fact that the invention sought to be published is the **property of the Petitioner,** not property of the United States.

Article IV, Section 3, Clause 2, of the Constitution, expressly delegates to Congress the "Power to dispose of . . . Property belonging to the United States". The Ninth and Tenth Amendments to the Constitution provide:

> *Amendment IX* — "The enumeration in the Constitution, of certain rights shall not be construed to deny or disparage others retained by the people."

> *Amendment X* — "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people."

These constitutional provisions indubitably establish that the right to dispose of property belonging to a citizen (or to a State) is reserved to the citizen (or State) owning it; that Congress has no power to dispose of property not belonging to the United States; and that Congress could not legally authorize the Respondents to do so.

This Court has previously recognized that before property not belonging to the United States can be "disposed of" by the United States, it must be *acquired* by the United States either by purchase or by eminent domain taking with provision for compensation or in other lawful manner. Thus, in *Ashwander v. Tennessee Valley Authority,* 297 U.S. 288, at 300, Chief Justice Hughes stated:

> "Authority to dispose of property *constitutionally acquired by the United States* is expressly granted to Congress by section 3 of Article 4 of the Constitution."
>
> ". . . To the extent that the power of disposition is thus *expressly* conferred, it is manifest that the Tenth Amendment is not applicable. And the Ninth Amendment (which Petitioner's also involves), *in insuring the maintenance of the rights retained by the people,* does not withdraw the rights which are *expressly* granted to the federal government." (Emphasis supplied)

(*Constitutional Limitations Recognized in Other Laws*). *Congress* has repeatedly recognized in various statutory enactments the constitutional limitation on

its power to dispose of private property and property rights, and the right of a citizen to the protection of his trade secrets;

1. In establishing the Federal Trade Commission, Congress provided in 15 U.S.C. 46, in part, that:

> "The Commission shall also have power . . . to make public from time to time such portions of the information obtained by it hereunder, *except trade secrets* . . ." (Emphasis supplied)

2. In establishing the United States Tariff Commission, Congress provided in 19 U.S.C. 1335, in part, that:

> "It shall be *unlawful* for any member of the Commission . . . or any other officer or employee of the United States, *to divulge,* or to make known in any manner whatever not provided for by law, to any person, the *trade secrets or processes* of any person, firm . . . embraced in any examination or investigation conducted by the Commission . . ." (Emphasis supplied)

3. On June 25, 1948 the provisions of 19 U.S.C. 1335 were incorporated into and replaced by 18 U.S.C. Sec. 1905 (U.S. Criminal Code) in which Congress provided, in part, that:

> "*Whoever, being an officer or employee of the United States* or of any department or agency thereof, *publishes, divulges, discloses, or makes known in any manner* or to any extent not authorized by law any *information coming to him . . . which* information *concerns or relates to the trade secrets, processes* . . . of any person, firm . . . shall be fined not more than $1000, or imprisoned for not more than one year, or both; and shall be removed from office or employment." (Emphasis supplied)

4. In guaranteeing secrecy of information to the inventor who cooperates in the objectives of Article 1, Section 8 of the Constitution "to promote the progress of science and useful arts" Congress provided under 35 U.S.C. 122 of the Patent Laws that:

> "*Applications for patents shall be kept in confidence* by the Patent Office and no information concerning the same given without authority of the applicant or owner . . ." (Emphasis supplied)

(*Constitutional Limitations in Atomic Energy Act*). *Congress,* in framing the Atomic Energy Act of 1954, specifically recognized the constitutional limitation on its power as is clearly stated in the Legislative history of the Act (Appendix H, *infra,* p. 21a):

> ". . . The legal basis of the proposed legislation is the constitutional powers of the United States . . . to make all needful rules and regulations respecting . . . **property belonging to the United States;"**
>
> * * * * *
>
> ". . . In view of the broad powers conferred upon the Congress by **article 4, section 3, clause 2,** of the Constitution, there can be no doubt of the authority of the Congress to exercise its powers . . ."
>
> * * * * *
>
> "Section 146 [of the Act] continues the application . . . to persons in the atomic energy program of **other laws relating to the protection of information.** It also forbids the Commission from controlling or restricting any information outside of any powers granted by any law." (Emphasis supplied)

(*Limitations Recognized by Respondents*). *Respondents themselves,* in the several Agreements for Cooperation for Civil Uses of Atomic Energy entered into under the Atomic Energy Act, have recognized and set out specifically their lack of authority to disclose privately owned information. These agreements, in most instances, have been executed on behalf of the United States by various ones of the Respondents personally. Typical examples of this acknowledgement by Respondents are Article I(D) of the "Agreement for Cooperation on Civil Uses of Atomic Energy between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland" (TIAS 3321, June 15, 1955), and Article III(C) of the "Agreement for Cooperation between the Government of the United States of America and the Government of the Federal Republic of Germany concerning Civil Uses of Atomic Energy" (TIAS 3877, July 3, 1957), which provide in each instance:

> "This Agreement shall not require the exchange of any information which the Parties **are not permitted to communicate because the information is privately owned** or has been received from another government." (Emphasis supplied).

(*Summary*). *In view of the foregoing,* it is therefore apparent that the lower Court was in error in sanctioning Respondents' proposed disposal of property not owned by them or by the United States; and that such ruling is in conflict with the Constitution and all precedent and should be vacated.

II

THE DECISION OF THE COURT OF APPEALS ERRONEOUSLY PROCLAIMS IN EFFECT THAT GOVERNMENT OFFICERS MAY IGNORE PLAIN LIMITATIONS ON THEIR STATUTORY AUTHORITY

The Decision of the Court of Appeals in ruling, *inter alia,* in substance that the Respondents have the authority to affect dissemination or publication of information entrusted to them in confidence without regard to the rights of the private owners thereof, ignores the specific statutory limitations in the Atomic Energy Act of 1954.

As stated at page 3 of the *Amicus Brief of* **Engineers' Joint Council, Inc.,** *in support of the petition herein:* ". . . the decision of the lower court . . . is contrary to the purpose stated by Congress in the . . . Act . . ." And as stated at page 11 of the *Amicus brief of* **American Chemical Society** *in support of the Petition:* "There is no language . . . in the Act evincing an intention to authorize the Commission to disseminate information it otherwise would not have the right to publish . . ."

In this connection, Congress, in its "Findings" (Sec. 2b, 42 U.S.C. 2012b, *infra,* p. 2a),[6] found only the power to permit the **"property of the United States"** to be used by others. This provision does not include Petitioner's invention here involved or his personal property rights relating thereto, since such are not property of the United States. (Complaint, paras. 2, 18b, R. 1, J.A. 1)

To effectuate the policies set forth in Section 1 b of the Act (42 U.S.C. 2011b, *infra,* p. 1a), among others,

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[6] All statutory references and federal regulations mentioned herein are set forth in Appendix A, infra.

Congress provided authority for "a program for the dissemination of *unclassified* scientific and technical information . . . subject to appropriate safeguards" (Sec. 3b, 42 U.S.C. 2013b, *infra,* p. 2a). However, Petitioner's information is *not unclassified* but is *secret* and was confidentially disclosed to Respondents not only under an agreement expressly reserving Petitioner's proprietary rights (Complaint, Par. 2, R. 1, J.A. 1) but also under 35 U.S.C. 181 (*infra,* p. 5a) which bound Respondents to the secrecy provisions of 35 U.S.C. 122, *infra,* p. 5a (Complaint paras. 4, 5, 18d, R. 1, J.A. 1). The statutory confidential relationship between the Petitioner, the Patent Office and the Respondents is further emphasized in the Code of Federal Regulations governing the practice and procedure in the Patent Office (C.F.R. Title 37, Secs. 1.14 and 5.1, *infra,* p. 7a), and in the pledges of the Access Acknowledgement required by the Patent Office (Appendix G, *infra,* p. 20a).

Respondents' authority with respect to the "Control of Information" is clearly set forth in Chapter 12 of the Act where it is specifically limited to (1) "the dissemination and declassification of Restricted Data . . ." (Sec. 141, 42 U.S.C. 2161 *infra,* p. 3a), subject to the further limitation, (2) that "The Commission shall be guided" by the principle that "the dissemination of scientific and technical information relating to atomic energy should be **permitted** and **encouraged** . . ." (Sec. 141b, 42 U.S.C. 2161b, *infra,* p. 3a), and in furtherance whereof it is provided (3) that "The Commission shall from time to time determine the data, within the definition of Restricted Data, which can be published . . . and shall cause such data to be declassified and removed from the category of Re-

stricted Data" (Sec. 142a, 42 U.S.C. 2162a, *infra,* p. 3a). Then, so that there might be no mistake that Respondents' powers do not exceed the limited authority thus expressly delegated, Congress further provided that "the Commission shall have no power to control . . . the dissemination of information other than as granted by this or any other law" (Sec. 146b, 42 U.S.C. 2166b, *infra,* p. 4a).[7]

Congress clearly described its specific intent when in the Legislative History of the Act (Appendix H, *infra,* p. 21a) it stated:

> "The information control provision of the organic law and these bills are built around the concept of restricted data, . . ."
>
> "Section 141 [of the Act] sets forth the policies for dealing with restricted data; . . . and that dissemination of technical information is to be encouraged . . ."
>
> "Section 146 [of the Act] continues the application to restricted data and . . . forbids the Commission from controlling or restricting any information outside of any power granted by any law."

The foregoing quotations corroborate Petitioner's contentions and are at odds with footnote 1 of the first Court of Appeals opinion (Appendix B, p. 11a, *infra*), reiterated generally by its present decision.

Sections 123, 141 and 173 of the Act (42 U.S.C. 2153, 2161 and 2223, *infra,* pp. 3a, 4a, 5a) give the Respondents limited authority to communicate to parties in

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[7] The Court below did not rely on any "other laws" as the basis for its decision. We show in Point III below that applicable "other laws" deny the authority found by the Court below.

privity with them, including foreign nations, in confidence, information contained in privately owned U. S. patent applications where such information falls within the limited category of "Restricted Data" as defined in the Act. But Petitioner's processes do not now and never did properly fall within that limited category, and even if such information had at one time been properly so classified, Respondents removed it therefrom as soon as they exercised their limited authority to "cause such data to be declassified and removed from the category of Restricted Data" under Sec. 142a of the Act (42 U.S.C. 2162a, *infra*, p. 3a).

The intent of Congress in this regard is also specifically set forth in the Legislative History of the Act (Appendix H, infra, p. 21a) where it states "The definition provides that data declassified or removed from the category is removed from the definition."

More specifically, the Petitioner's invention does not fall within the category of "Restricted Data" as defined in Section 11r of the Act (42 U.S.C. 2014r, *infra*, p. 2a) because:

(1) Petitioner's or any other method for concentration of the lower atomic weight isotopes does not concern "the design, the manufacture or utilization of atomic weapons" or "the production of special nuclear materials, or the use of special nuclear material in the production of energy", and (2) is specifically excluded from the category of "Restricted Data" since it was of material "declassified . . . pursuant to Section 142" of the Act. Furthermore, although by Petitioner's invention Respondents have produced heavy water (also producible by other processes) this product does not fall within the defini-

tion of "Special Nuclear Material" as defined in the Act (Sec. 11t, 42 U.S.C. 2014t, *infra*, p. 2a).

Petitioner's invention here involved relates to an improved mode of conducting the publicly known dual temperature method of isotope concentration, which method is but one of at least four different industrial processes that have been used by Respondents and others to produce heavy water. All of these other processes are already well known to the public. The importance and value of Petitioner's invention here concerned and a reason why it was chosen for production purposes by the U. S. Atomic Energy Commission rests largely in its economic advantages over other procedures.

It is apparent that Congress intended to conform to the Constitutional limit on the power of the Government to dispose only of **property of the United States** because Congress specifically authorized the Atomic Energy Commission "In the performance of its functions" to "acquire" and "purchase . . . personal property, including patents, . . . on behalf of the United States . . . and dispose of such property as provided in this Act." (Sec. 161g, 42 U.S.C. 2201g, *infra*, p. 4a). Furthermore, Congress expressly provided for such acquisition of personal property in strict conformity with the Fifth Amendment to the Constitution when they "authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act . . ." (Sec. 261, 42 U.S.C. 2017, *infra*, p. 5a). Only after personal property or property rights have been acquired by the United States can Respondents dispose of same. Respondents cannot exercise mere fiat to "de-

stroy" such property under the limited authority conferred by the Act.

Respondents have refused to take steps which would **"encourage"** and **"permit"** Petitioner to adequately protect his property here involved so as to enable him to publish the information at the earliest possible date. Furthermore, Respondents have never made any attempt to purchase Petitioner's property right of first publication here involved on behalf of the United States pursuant to the authority delegated in Section 161g, (42 U.S.C. 2201g, *infra*, p. 4a).

It is of vital importance to the functioning of our government based on law that government agents not abuse or extend their limited authority conveyed to them by Congress. This Court clearly announced the responsibility of government officers in this regard when in *Peters* v. *Hobby*, 75 S. Ct. 790, 349 U.S. 381, 99 L. ed. 1129, it said:

> "Agencies whether created by statute or executive order must of course be free to give reasonable scope to terms conferring their authority. But they are not free to ignore plain limitations on such authority."

The Court of Appeals' interpretation of Respondents' limited authority to include the authority to dispose of privately owned property without consent of the owner is a flagrant misconstruction of the Act, which should of course be construed so as to not do violence to the Constitution.

III

"OTHER LAWS" MADE APPLICABLE TO RESPONDENTS BY THIS ACT DENY THE AUTHORITY FOUND BY THE COURT OF APPEALS

The "other laws" made applicable by Sec. 146 of the Act are: (a) *Sec. 122 of the "Patent Act of 1952"* (providing that applications for U. S. Letters Patent shall be kept in confidence by the Patent Office, and hence by those in privity with the Patent Office).—(Appendix A, *infra,* p. 5a).

(b) *Secs. 181-184 of the Patent Act of 1952* (putting the Respondents in privity with the Patent Office, providing for inspection of pending applications by Respondents and for the issuance by the Patent Office of Secrecy Orders at the instance of the Respondents, forbidding filing of foreign applications in violation of such Secrecy orders, providing for compensation for the practice of the inventions concerned on behalf of the Government in specified instances, and providing for rescinding of such Secrecy orders with consent of the Respondents).[8]—(Appendix A, *infra,* pp. 5a-6a).

(c) *U. S. Code Title 18, Sec. 1905* (forbidding the disclosure by government officers of information relating to the trade secrets, processes, apparatus, etc. or any person, etc., under penatly of fine and/or imprisonment and removal from office).—(Appendix A, *infra,* p. 8a).

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[8] Section 183 of the Patent Act also authorizes Respondents to hear claims for compensation (for damage caused by the Secrecy order and by use of the invention on behalf of the government) where the "patent is withheld" because of the secrecy order after being otherwise in condition for allowance, but such authority is not involved here because the secrecy order was rescinded before the Petitioner's application was held allowable.

Section 122 of the Patent Act of 1952 applies to the respondents since they are placed in privity with the Patent Office by Sections 181-184 of the Patent Act of 1952. Respondents exhausted their relevant authority under said sections 181-184 when they caused secrecy orders to be issued in petitioner's pending patent applications, refused to permit modification of such order to allow Petitioner to file applications for foreign patents for the new process, and ultimately caused rescission of such secrecy order.[8] While Section 183 contemplates use of the invention and compensation for damage "caused by the secrecy order", it contains no authorization to anyone to publish the invention so as to destroy the inventor's trade secrets and his rights to obtain foreign patents. Thus nothing in these sections authorizes the respondents to publish the Petitioner's invention. To the contrary, Section 122 forbids such publication, while U. S. Code Title 18 Sec. 1905 makes such publication a crime.

Hence the "applicable other laws" not only lend no support to the decision of the Court below, but actually stand squarely against that decision, and conclusively require that it be vacated and that Petitioner's rights be protected.

IV

THE CASE IS NOT MOOT FOR THE FOLLOWING INDEPENDENT REASONS:

(A) BECAUSE IT WAS DECIDED ON DEFENDANTS' (RESPONDENTS') EXHIBITS WITHOUT A "HEARING" AS CONTEMPLATED BY F.R.C.P. 65(a);

(B) BECAUSE THE DEFENDANTS' EXHIBITS PRESENTED WERE INCOMPETENT;

(C) BECAUSE THE DEFENDANTS' EXHIBITS PRESENTED DID NOT PROVE A PUBLICATION IN FACT;

(D) BECAUSE EVEN THE CONCLUSIONS ALLEGED IN THE DEFENDANTS' EXHIBITS ARE INSUFFICIENT TO RENDER THE CASE MOOT;

(E) BECAUSE RESPONDENTS CANNOT RELY ON THEIR OWN WRONGFUL ACTS TO RELIEVE THEM OF THEIR OBLIGATION TO HOLD IN CONFIDENCE

A. THIS CASE IS NOT MOOT BECAUSE DECIDED ON DEFENDANTS' EXHIBITS WITHOUT A "HEARING" AS CONTEMPLATED BY FEDERAL RULES OF CIVIL PROCEDURE 65(a)

Petitioner was not accorded a "hearing" in the District Court, as contemplated by F.R.C.P., Rule 65(a), which reads "Rule 65, Injunctions. (a) Preliminary; Notice. No preliminary injunction shall be issued without notice to the adverse party", in that he was refused the requested opportunity to cross-examine the affiants whose affidavits were presented (R. 61, 67-68, J.A. 61, 67-68). Cases hold that the provision for "notice" therein contemplates a "hearing" with the right to present oral testimony, **and the right to cross-examine opposing witnesses.** See 7 *Moore's Federal Practice,* 2nd Ed. par. 65.04(3), p. 1637, quoting from *Sims* v. *Greene,* C.C.A. 3, 1947, 161 F. 2d 87, 88-89. See also, 3 *Barron and Holtzoff,* 1956 pocket part, par. 1433, p. 104, which states in part: ". . . Doubtful questions of law and fact should not

be determined on affidavits on an application for preliminary injunction . . .", (citing cases) and 7 *Moore's Federal Practice,* 1638, which states: "On the hearing for the injunction . . . the court should normally be reluctant to decide controverted factual issues in favor of movant (or against him) on the basis of affidavits alone". Otherwise, extremely important cases could be disposed of on Motion for Preliminary Injunction on flimsy affidavits without the right of cross-examination.

These principles are especially applicable where, as here, a failure to obtain a preliminary injunction would most certainly result in action by the Respondents which would render the case moot. (See Stipulation, R. 128.)

The failure of the Trial Court to follow these principles, vainly urged upon it (R. 61, 67-68 J.A. 61, 67-68), was a gross miscarriage of justice and constitutes reversible error.

B. THE CASE IS NOT MOOT BECAUSE THE EXHIBITS PRESENTED (SOME OF WHICH ARE NOT EVEN AFFIDAVITS) WERE INCOMPETENT

Most of the exhibits presented by the Respondents (R. 19-30, J.A. 19-30), some of which are not even affidavits (R. 24-27, J.A. 24-27), are among other deficiencies, replete with hearsay, not based on personal knowledge, and contain conclusions as distinguished from facts. Hence, they are incompetent to prove even the matters alleged therein, and were erroneously used by the District Court as the basis for denying to Plaintiff the needed protection of his valuable rights.

As regards those exhibits which were affidavits, see *7 Moore's Federal Practice,* p. 1640, on the question of the adequacy of affidavits on a preliminary injunction hearing which states:

> "Where affidavits are used must they measure up to the standards of affidavits in support of and in opposition to a motion for summary judgment? Under the summary judgment Rule 56(e) such an affidavit must be made on personal knowledge of the affiant, set forth such facts as would be admissible in evidence, and show affirmatively that the affiant is competent to testify to the matters stated therein. * * * *Affidavits at best are not too trustworthy either for summary judgment or injunction hearing; and undoubtedly in relation to the latter hearing affidavits that measure up to the standard for summary judgment are preferable to those of a more general character, and oral testimony is even better."* (Emphasis supplied).

6 Moore's Federal Practice, discussing "Form and Content of Affidavits" states in part as follows: (At p. 2328)" ". . . *The affidavit is no place for ultimate facts and conclusions of law"* (emphasis supplied) citing *Creel* v. *Lone Star Defense Corp.* (CA 5th, 1949, 171 F. 2d 964, 967, 12 FR Serv. 56c. 41, Case 4, rev'd on other grounds (1950), 339 U.S. 497, 70 S. Ct. 755, 94 L. ed. 1017, (wherein Judge Holmes stated, in part: "The averments do not meet the requirements for affidavits under Rule 56(e). No witness would be permitted to testify that the appellee operated as an independent contractor and was engaged in the production of goods for commerce, which are the ultimate facts in issue. . . .")

As noted, failure to obtain a preliminary injunction would certainly result in actions by the Respondents

which *would* make the case moot. The complete disregard of the continuous pleas of Plaintiff's counsel that Respondents respect the Petitioner's rights, shown by these exhibits, evidences this fact, which is also stipulated in the record herein (R. 128). The Respondents' contention of mootness was in the nature of an affirmative defense and was the equivalent of or similar to a Motion for Summary Judgment, to which the requirements of Federal Rules of Civil Procedure, Rule 56(e) should apply. Since the exhibits on their face show that they fail to meet the criteria of F.R.C.P., Rule 56(e), they were incompetent to establish even the matters alleged therein, and the District Court committed reversible error in basing a ruling of mootness on such incompetent evidence.

C. THE CASE IS NOT MOOT BECAUSE DEFENDANTS' (RESPONDENTS') EXHIBITS FAILED TO PROVE A PUBLICATION IN FACT

Defendants' (Respondents') Exhibits 1-10 (R. 19-37 J.A. 19-37), at most, show only that there may have been a possible offer of availability, or an intent to make such offer, and contain no showing that such offer had actually been made or had been accepted by anyone. The situation, at most, is similar to an offer to enter into a contract which fails for want of acceptance. The offer or *ultra vires* direction to publish, if any, had not been carried beyond the control of the Defendants (Respondents) by having been irrevocably carried into effect. These facts were vainly urged upon the Trial Court (R. 64, J.A. 63, and TR. 57-59).

Of course in this case the question is whether the information in fact was published so as to constitute a bar to patenting under various **foreign patent laws.** But the principles announced in *In Re Application of*

Tenney et al, CCPA, (1958) 254 F. 2d 619 which in effect overruled the cases relied upon by Respondents in the Trial Court, and especially in the concurring opinion of Judge Rich therein, show that the facts averred in the Defendants' exhibits are **insufficient to constitute a publication even under U. S. law.** Thus, there is no evidence in the exhibits of actual publication, as opposed to mere preparation for publication or availability for publication in the hands of servants or agents of Respondents as discussed in the *Tenney* case.

The only "communications" evidenced at all are two "private communications" which are not publications as pointed out in footnote 9 in the *Tenney* case (254 F. 2d 627), and which were communications only to parties in privity directly or indirectly with Respondents under agreements for cooperation. In all these instances, of course, the documents involved either were or should have been impounded at the instance of the Respondents in conformance with Respondents' duty owed to this Court under the authority of *In re Transamerica Corp.,* C.A. 9, (1950) 184 F. 2d 319; Cert. Den., 340 U.S. 883; Rehearing Den., 340 U.S. 907.

D. THE CASE IS NOT MOOT BECAUSE EVEN THE CONCLUSIONS ALLEGED IN THE DEFENDANTS' EXHIBITS ARE INSUFFICIENT TO RENDER THE CASE MOOT

Taking everything set forth in defendants' exhibits most favorably to them, mootness is not shown. Even assuming that there had been a limited publication somewhere, which is vigorously denied, defendants' exhibits do not warrant a finding that there had been a general publication throughout the world. As indicated in the complaint para. 6 (R. 3, J.A. 3) plaintiff intended to apply for patents in many foreign coun-

tries. In a number of such foreign countries there must be a publication **within the country itself** prior to the application for a patent to bar the obtaining of a valid patent. See complaint, para. 17 (R. 17, J.A. 17). See also affidavits of Spevack, Parker and Houghton (R. 73-78) in support of the Motion for a Preliminary Injunction in the Court below. In the absence of a showing by Respondents that there had been actual publication *in each and all of the countries requiring publication within the country itself* as of the date of the hearing (April 19, 1957), Petitioner still had a right to apply for and obtain valid patents in each such country where publication had not occurred. A patent in *any one* of such countries might well prove to be an invaluable right to the Petitioner.

How Question of Publication Arises. The question of prior publication usually arises when the patent holder sues for an infringement, and the alleged infringer defends on the ground that the patent is invalid in that there had been a publication of the subject matter of the patent prior to the patent holder's application or early enough to bar the grant of a valid patent on the patentee's application, under the law of the country concerned.

Hypothetical Situation Proves Petitioner's Contention. Assume for the purpose of argument the following facts: That on April 20, 1957, the day after the entry of the order denying the preliminary injunction, Petitioner had applied for and was duly granted patents in all countries where there must be a publication *within the country itself* prior to the filing of the application; that thereafter infringers of Petitioner's patents appeared in all such countries, and that Petitioner prosecuted suits against each of the infringers;

that each of the infringers, as defenses to the suits in their respective countries, introduced into evidence all the facts set forth in Respondents' exhibits, to challenge the validity of Petitioner's patents on the ground that there had been a publication of the subject matter. Could these actions be successfully defended on that basis? The answer is quite obvious—they could not.

It cannot be *assumed* that there was a publication in such countries in the *absence of any proof* thereof. And in many countries, in the absence of a publication in the particular country, Petitioner has valuable rights which are entitled to protection (see end of Par. 17 of Complaint R. 7, J.A. 7) and affidavits of Spevack, Parker, and Houghton (R. 72-78).

The Respondents' memorandum filed in this Court on July 3, 1958 negatives mootness. It states in part:

> "The major purpose of this litigation has been to prevent publication of information . . . In this purpose, Petitioner has been successful."

It follows, of course, that if Petitioner's information had been published by Respondents prior to the instant suit, Petitioner's purpose to prevent such publication could not have been "successful" as admitted by Respondents.

John G. Hall, Acting Assistant General Manager for International Activities of the A.E.C., in an Affidavit (Appendix G. *infra,* p. 17a) filed with said memorandum, stated under oath:

> "That the temporary restraining orders . . . have precluded . . . disseminating considerable information on the subject of the dual temperature exchange process for the production of heavy water;

and refers to

> "the inability to disseminate and publish such information . . ."

It is now obvious, therefore, that there was still in the possession of the Respondents information concerning the improved processes involved in Petitioner's patent application as described in his complaint, within the scope of this Court's Orders, which admittedly had not been published prior to July 3, 1958. This was not known to the District Court because of the lack of a proper hearing, and that Court's ruling of mootness which was thus based on a mere assumption of fact, now refuted, has resulted in a gross miscarriage of justice, and constitutes reversible error.

E. THE CASE IS NOT MOOT BECAUSE RESPONDENTS CANNOT RELY ON THEIR OWN WRONGFUL ACTS TO RELIEVE THEMSELVES OF THEIR OBLIGATION TO HOLD IN CONFIDENCE

Finally, the Respondents are not relieved of their obligation to hold in confidence the Petitioner's invention so disclosed to them, until the Petitioner himself makes a general publication of the subject matter concerned, or expressly or impliedly consents to its publication. cf. *Sandlin et al* v. *Johnson* (C.C.A. 8) 141 F(2d) 660, 61 U.S.P.Q. 71; *Du Pont* v. *Masland* (1917) 244 U.S. 100; *James* v. *Campbell* (1882) 104 U.S. 356, at 358. Partial breach of confidence, if accomplished, does not render the Court powerless to grant relief against further breach of confidence.

V

PETITIONER'S AMENDED COMPLAINT STATES A CLAIM UPON WHICH RELIEF CAN BE GRANTED SINCE RESPONDENTS LACKED THE AUTHORITY IN QUESTION

The first Court of Appeals opinion directed that the complaint be dismissed for lack of jurisdiction on the ground that the action was an unconsented suit against the United States. (Appendix B, *infra*, p. 9a) This is just another method of saying that the Respondents had the authority to perform the acts sought to be enjoined, because if they did not possess such authority, the complaint would, without question, state a claim upon which relief could be granted. Thus, the only real question is the Respondents' authority which has been hereinbefore shown not to exist.

The present Court of Appeals decision (Appendix D, *infra*, p. 14a, 15a, 16a) states:

> "In our former opinion we pointed out that Congress has authorized this sort of publication. We now hold that the Constitution does not forbid the publication. . . .
>
> Appellant's amended complaint therefore fails to state a claim upon which relief can be granted. . . . The case is remanded with instruction to dismiss the amended complaint."

This latter opinion is but little different from the former opinion as to which this Court granted certiorari. It is difficult to believe that this Court would have granted certiorari had this action been considered to be an unconsented suit against the United States (i.e. that Respondents possessed the authority in question), or that it was moot, or that this Court would have remanded the case to the Court of Appeals merely for the purpose of directing that the

Petitioner's proposed amendments to the complaint be vainly allowed. Thus, while this Court's ruling of March 3, 1958 granting certiorari and remanding the case to the Court of Appeals did not expressly so state, the obvious inference from that decision is that this Court did not feel that this was an unconsented suit against the United States, and consequently did feel that the Respondents lacked the authority they claim, that the case is not moot and that the amended complaint does entitle the Petitioner to the relief sought.

It being shown that Respondents are not authorized to publish the Petitioner's invention, that they are forbidden by law from doing so without petitioner's consent, and that the case is not moot, it follows that the conclusion of the Court below that the amended complaint fails to state a claim upon which relief can be granted, is without support, and should be vacated, as requested by Petitioner prior to entry of final judgment and that the preliminary injunction should have been issued as prayed.

CONCLUSION

For the foregoing reasons, the judgment of the Court below should be vacated, the District Court's ruling of mootness should be reversed, and a preliminary injunction should issue to preserve the Petitioner's rights.

Respectfully,

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APPENDIX A

Constitutional Provisions, Statutes and Rules Involved

United States Constitution

Article 1, Section 8, reads in part as follows:

"The Congress shall have power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;" . . .

Article 4, Section 3, Clause 2, reads in part as follows:

"The Congress shall have Power to dispose of . . . Property belonging to the United States. . ."

Amendment V—Due Process Clause, reads in part as follows:

"No person shall . . . be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation."

Amendment IX

"The enumeration in the Constitution of certain rights, shall not be construed to deny or disparage others retained by the people."

Amendment X

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Atomic Energy Act of 1954

August 30, 1954, c. 1073, Sec. 1; 68 Stat. 921 et seq.; 42 U.S.C. (Supp. IV) Sec. 2011 et seq.:

"CHAPTER 1. DECLARATION, FINDINGS, AND PURPOSE

"SECTION 1. (68 Stat. 921; 42 U.S.C. 2011) DECLARATION.—Atomic energy is capable of application for peaceful as well as military purposes. It is therefore declared to be the policy of the United States that—

* * *

"b. the development, use, and control of atomic energy shall be directed so as to promote world peace, improve the general welfare, increase the standard of living, and strengthen free competition in private enterprise.

"SEC. 2. (68 Stat. 921; 42 U.S.C. Sec. 2012) FINDINGS.—The Congress of the United States hereby makes the following findings concerning the development, use, and control of atomic energy:

* * *

"b. In permitting the property of the United States to be used by others, such use must be regulated in the national interest and in order to provide for the common defense and security and to protect the health and safety of the public."

* * *

"SEC. 3. (68 Stat. 922; 42 U.S.C. 2013) PURPOSE.—It is the purpose of this Act to effectuate the policies set forth above by providing for—

* * *

"b. a program for the dissemination of unclassified scientific and technical information and for the control, dissemination, and declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress;

* * *

"f. a program of administration which will be consistent with the foregoing policies and programs, with international arrangements, and with agreements for cooperation, which will enable the Congress to be currently informed so as to take further legislative action as may be appropriate."

* * *

"CHAPTER 2. DEFINITIONS

"SEC. 11. (68 Stat. 922; 42 U.S.C. 2014) DEFINITIONS.—The intent of Congress in the definitions as given in this section should be construed from the words or phrases used in the definitions. As used in this Act:

* * *

"c. The term 'atomic energy' means all forms of energy released in the course of nuclear fission or nuclear transformation."

* * *

"r. The term 'Restricted Data' means all data concerning (1) design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the Restricted Data category pursuant to section 142."

* * *

"t. The term 'special nuclear material' means (1) plutonium, uranium enriched in the isotope 233 or in the isotope 235, and any other material which the Commission, pursuant to the provisions of section 51, determines to be special nuclear material, but does not include source material; or (2) any material artificially enriched by any of the foregoing, but does not include source material.'

* * *

"CHAPTER 11. INTERNATIONAL ACTIVITIES

"SEC. 123. (68 Stat. 940; 42 U.S.C. 2153) COOPERATION WITH OTHER NATIONS.—No cooperation with any nation or regional defense organization pursuant to . . . (Section) 144 shall be undertaken until—

"a. the Commission . . . has submitted to the President the proposed agreement for cooperation . . . which . . . shall include . . . (4) a guaranty by the cooperating party that any material or any Restricted Data to be transferred pursuant to the agreement for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement for cooperation;

"b. the President has approved and authorized the execution of the proposed agreement for cooperation . . .; and

"c. the proposed agreement for cooperation, together with the approval and the determination of the President, has been submitted to the Joint Committee (on Atomic Energy) . . .

* * *

"CHAPTER 12. CONTROL OF INFORMATION

"SEC. 141. (68 Stat. 940; 42 U.S.C. 2161) POLICY.—It shall be the policy of the Commission to control the dissemination and declassification of Restricted Data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:

* * *

"b. The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific and industrial progress and public understanding and to enlarge the fund of technical information."

SEC. 142. (68 Stat. 941; 42 U.S.C. 2162) CLASSIFICATION AND DECLASSIFICATION OF RESTRICTED DATA.—

"a. The Commission shall from time to time determine the data, within the definition of Restricted Data, which can be published without undue risk to the common defense and security and shall thereupon cause such data to be declassified and removed from the category of Restricted Data.

* * *

"SEC. 144. (68 Stat. 942; 42 U.S.C. 2164) INTERNATIONAL COOPERATION.—

"a. The President may authorize the Commission to cooperate with another nation and to communicate to that nation Restricted Data . . . *Provided, however,* . . . That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123. . .

* * *

"SEC. 146. (68 Stat. 943; 42 U.S.C. 2166) GENERAL PROVISIONS.—

"a. Sections 141 to 145, inclusive, shall not exclude the applicable provisions of any other laws, except that no Government agency shall take any action under such other laws inconsistent with the provisions of those sections."

"b. The Commission shall have no power to control or restrict the dissemination of information other than as granted by this or any other law."

* * *

"CHAPTER 14. GENERAL AUTHORITY

"SEC. 161. (68 Stat. 948; 42 U S.C. 2201) GENERAL PROVISIONS.—

"In the performance of its functions the Commission is authorized to—

* * *

"g. acquire, purchase, lease, and hold real and personal property, including patents, as agent of and on behalf of the United States, subject to the provisions of section 174, and to sell, lease grant, and dispose of such real and personal property as provided in this Act;

* * *

"CHAPTER 15. COMPENSATION FOR PRIVATE PROPERTY ACQUIRED

"SEC. 173. (68 Stat. 953; 42 U.S.C. 2223) PATENT APPLICATION DISCLOSURES.—

"In the event that the Commission communicates to any nation any Restricted Data based on any patent application not belonging to the United States, just compensation shall be paid by the United States to the owner of the patent application. The Commission shall determine such compensation. If the compensation so determined is unsatisfactory to the person entitled thereto, such person shall be paid 75 per centum of the amount so determined, and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States for the district in which such claimant is a resident in a manner

provided by section 1346 of Title 28 of the United States Code to recover such further sum as added to such 75 per centum will constitute just compensation."

* * *

"CHAPTER 19. MISCELLANEOUS

"SEC. 261. (68 Stat. 960; 42 U.S.C. 2017) APPROPRIATIONS.—

"There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act except such as may be necessary for acquisition or condemnation of any real property or any facility . . ."

Patent Act of 1952

"SEC. 122. CONFIDENTIAL STATUS OF PATENT APPLICATIONS.—Applications for patents shall be kept in confidence by the Patent Office and no information concerning the same given without authority of the applicant or owner unless necessary to carry out the provisions of any Act of Congress or in such special circumstances as may be determined by the Commissioner [of Patents]" (July 19, 1952, c. 950, sec. 1, 66 Stat. 801; 35 U.S.C. 122).

* * *

"SEC. 181. SECRECY OF CERTAIN INVENTIONS AND WITHHOLDING OF PATENT.— . . . Whenever the publication or disclosure of an invention by the granting of a patent, in which the Government does not have a property interest, might, in the opinion of the Commission [of Patents] be detrimental to the national security, he shall make the application for patent in which such invention is disclosed available for inspection to the Atomic Energy Commission, . . .

Each individual to whom the application is disclosed shall sign a dated acknowledgment thereof, which acknowledgment shall be entered in the file of the application. If, in the opinion of the Atomic Energy Commission . . . the publication or disclosure of the invention by the granting of a patent therefor would be detrimental to the national security, the Atomic Energy Commission, . . . shall notify the Commissioner [of Patents] and the Commissioner [of Patents] shall order that the invention be kept secret and shall withhold the grant of a patent for such period as the national interest requires, and notify the applicant thereof . . .

. . . The Commissioner [of Patents] may rescind any order upon notification by the heads of the departments and the chief officers of the agencies who caused the order to be issued that the publication or disclosure of the invention

is no longer deemed detrimental to the national security." (July 19, 1952, c. 950, Sec. 1, 66 Stat. 805; 35 U.S.C. 181)

"SEC. 182. ABANDONMENT OF INVENTION [and all claims against the United States based thereon] FOR UNAUTHORIZED DISCLOSURE.— . . . consent of the Commissioner [of Patents, for disclosure]—shall not be given without the concurrence of the . . . chief officers of the agencies who caused the order to be issued . . . (July 19, 1952, c. 950, 66 Stat. 805; 35 U.S.C. 182).

"SEC. 183. RIGHT TO COMPENSATION. An applicant . . . whose patent is withheld as herein provided, shall have the right, beginning at the date the applicant is notified that, except for such order, his application is otherwise in condition for allowance . . . to apply to the head of any department or agency who caused the order to be issued for compensation for the damage caused by the order of secrecy and/or for the use of the invention by the Government, resulting from his disclosure . . . The head of the department or agency is authorized . . . to enter into an agreement . . . in full settlement for the damage and/or use. . . If full settlement . . . cannot be effected, the head of the department or agency may award and pay to such applicant . . . not exceeding 75 per centum of the sum which the head of the department or agency considers just compensation for the damage and/or use. A claimant may bring suit against the United States . . . for an amount which when added to the award shall constitute just compensation for the damage and/or use by the Government, . . . The owner of any patent issued upon an application that was subject to a secrecy order . . . shall have the right, after the date of issuance of such patent, to bring suit in the Court of Claims for just compensation for the damage caused by reason of the order of secrecy and/or use by the Government of the invention resulting from his disclosure . . . (July 19, 1952, c. 950, 66 Stat. 806; 35 U.S.C. 183).

"SEC. 184. FILING OF APPLICATION IN FOREIGN COUNTRY.— Except when authorized by a license obtained from the Commissioner a person shall not file or cause or authorize to be filed in any foreign country prior to six months after filing in the United States an application for patent or for the registration of a utility model, industrial design, or model in respect of an invention made in this country. A license shall not be granted with respect to an invention subject to an order issued by the Commissioner pursuant to section 181 of this title without the concurrence of the heads of the departments and the chief officers of the agen-

cies who caused the order to be issued." (July 19, 1952, c. 950, 66 Stat. 806; 35 U.S.C. 184)

* * *

Code of Federal Regulations

Title 37. Part 1 (Title 35—Patents, Appendix, U.S.C. (Supp. IV), p. 2318)

SECTION 1.14. PATENT APPLICATIONS PRESERVED IN SECRECY

"a) Pending patent applications are preserved in secrecy. No information will be given by the Office respecting the filing by any particular person of an application for a patent, the pendency of any particular case before it, or the subject matter of any particular application, nor will access be given to or copies furnished of any pending application or papers relating thereto, without written authority of the applicant, or his assignee or attorney or agent, unless it shall be necessary to the proper conduct of business before the Office or as provided by this part.

"b) Abandoned applications are likewise not open to public inspection, except that if an application referred to in a United States patent is abandoned and is available, it may be inspected or copies obtained by any person on written request, without notice to the applicant. Abandoned applications may be destroyed after twenty years from their filing date, except those to which particular attention has been called and which have been marked for preservation. Abandoned applications will not be returned.

"c) Applications for patents which disclose or which appear to disclose, or which purport to disclose, inventions or discoveries relating to atomic energy are reported to the Atomic Energy Commission and the Commission will be given access to such applications, but such reporting does not constitute a determination that the subject matter of each application so reported is in fact useful or an invention or discovery or that such application in fact discloses subject matter in categories specified by sections 151(c) and 151(d) of the Atomic Energy Act of 1954, 68 Stat. 919; 42 U.S.C.A. 2181."

Code of Federal Regulations

Title 37. Part 5 (Title 35—Patents, U.S.C. (Supp. IV), (p. 2039)

SECTION 5.1. DEFENSE INSPECTION OF CERTAIN APPLICATIONS

"In accordance with the provisions of 35 U.S.C., section 181, applications for patent containing subject matter the disclosure of which might be detrimental to the national security are made available for inspection by defense agencies as specified in said section . . . Such inspection must be at the Patent Office and by responsible representatives of the agency who are required to sign a dated acknowledgment of such access accepting the condition that information obtained from the inspection will be used for no other purpose than in the administration of sections 181-188 of Title 35 U.S. Code. Applications relating to atomic energy are made available to the Atomic Energy Commission as specified in section 1.14 of this chapter (Patent Rule 14)."

Title 18 United States Code—Crimes and Criminal Procedure

CHAPTER 93. PUBLIC OFFICERS AND EMPLOYEES

SECTION 1905. DISCLOSURE OF CONFIDENTIAL INFORMATION GENERALLY

"Whoever, being an officer or employee of the United States or of any department or agency thereof, publishes, divulges, discloses, or makes known in any manner or to any extent not authorized by law any information coming to him in the course of his employment or official duties or by reason of any examination or investigation made by, or return, report or record made to or filed with, such department or agency or officer or employee thereof, which information concerns or relates to the trade secrets, processes, operations, style of work, or apparatus . . . of any person, firm, partnership, corporation, or association; . . . shall be fined not more than $1,000, or imprisoned not more than one year, or both; and shall be removed from office or employment. June 25, 1948, c. 645, 62 Stat. 791."

* * *

Federal Rules of Civil Procedure

Rule 56. SUMMARY JUDGMENT.

"(e) "FORMS OF AFFIDAVITS; FURTHER TESTIMONY. Supporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein. Sworn or certified copies of all papers or parts thereof referred to in an affidavit shall be attached thereto or served therewith. The court may permit affidavits to be supplemented or opposed by depositions or by further affidavits."

APPENDIX B

UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 13834

Decided September 19, 1957

Messrs. Carleton U. Edwards, II, Joseph Y. Houghton and *Bernard Margolius* submitted on the brief for appellant.

Messrs. Oliver Gasch, United States Attorney, and *Lewis Carroll* and *E. Riley Casey*, Assistant United States Attorneys, submitted on the brief for appellees.

Before EDGERTON, *Chief Judge*, and WILBUR K. MILLER and BURGER, *Circuit Judges*.

EDGERTON, *Chief Judge:* The appellant's complaint asked the District Court to enjoin the defendants, who are the members of the United States Atomic Energy Commission, and to enjoin also the "officers, agents, servants, and employees, and anyone associated with or acting in concert or participation with said defendants, and their successors in office", from disclosing "the heretofore unpublished features" of appellant's patent application No. 188,925, which pertains to the production of heavy water and other isotopes. The complaint says such publication would defeat patent applications appellant plans to file in various foreign countries; that a "secrecy order" of the Commission formerly prohibited appellant from filing those applications; that if appellant had been able to file them within one year after he filed his patent application in the United States, in most countries his filing would have been regarded as "running from the date of" his United States application; and that the Commission has now rescinded the secrecy order and declassified the entire subject of

the preparation of heavy water, including the plaintiffs patent application.

The District Court denied an injunction on the ground that previous publications had made the plaintiff's claim moot. We do not reach the question of mootness.

Though the complaint says the defendants "are sued only in their individual capacities", it is plain that the injunction the appellant seeks would, if valid restrain the United States Atomic Energy Commission from taking certain action. It is also plain that Congress authorized the Commission to take action of this general sort; *i.e.*, to disseminate technical information in the field of atomic energy. Congress did not leave the matter to implication. It expressly stated its intention to provide "a program for the dissemination of unclasssified scientific and technical information and for the control, dissemination, and declassification of Restricted Data, subject to appropriate safeguards, so as to encourge scientific and industrial progress . . . It shall be the policy of the Commission to control the dissemination and declassification of Restricted Data in such a manner as to assure the common defense and security. . . . The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged . . ." 42 U.S.C. (Supp. IV) §§ 2013(b), 2161, 2161(b).

The legal theory asserted in appellant's complaint is that the "Defendants having received confidential disclosure of the subject matter of the said application have no right to publish the same or any reports dealing with such confidentially disclosed subject matter"; also, that "defendants having prevented the plaintiff from pursuing his right to apply for foreign patents . . . and having by said Classification and Secrecy Order prevented the plaintiff from even effectively negotiating for financing of such applications, are in equity and good conscience bound, on removing such classification and secrecy order, to make no publication even of information, if any, that they might otherwise have a right to publish, that would prevent the plaintiff from pursuing his remaining rights to seek foreign patents corresponding to said application, at least until the plaintiff has had a reasonable time in which to arrange for financing and pursuit of such rights."

The appellant has not "set out in his complaint the statutory limitation", if any, which might indicate that if, as

he claims, a publication would violate his rights, it would also exceed the Commission's authority.[1] In effect the complaint comes only to this, that the Commission should be restrained because it is about to err, to the appellant's damage, in exercising its authority. Accordingly we cannot distinguish this case from the *Larson* case, in which the Supreme Court held that the courts lacked jurisdiction. As in *Larson*, the United States has not consented to be sued; and like *Larson*, this is not a case "in which the statute or order conferring power upon the officer to take action in the sovereign's name is claimed to be unconstitutional." *Larson* v. *Domestic & Foreign Corp.*, 337 U.S. 682, 690. The complaint makes no such claim. Neither does appellant's "Statement of questions presented", in his brief on this appeal.[2]

We think the District Court erred in rejecting the government's contention that the suit is against the United States. We therefore remand the case with instructions to dismiss the complaint for lack of jurisdiction. *State of Arizona* v. *Hobby*, 94 U.S. App. D.C. 170, 221 F. 2d 498.

Remanded.

Judgment

THIS CAUSE came on to be heard on the record from the United States District Court for the District of Columbia, and was submitted on the briefs of the parties.

ON CONSIDERATION WHEREOF, It is ordered and adjudged by this Court that the judgment of the said District Court appealed from in this cause be, and the same is hereby, set aside, and that this cause be, and it is hereby, remanded

---

[1] He now makes, but the complaint does not, the paradoxical suggestion that the Commission is authorized to publish *only* classified or restricted information.

[2] His reply brief does seek to raise a constitutional question. It says: "For the Commission to effect dissemination of privately owned secret information without provision for compensation would be a wanton violation of plaintiff's rights under the due process clause of the Fifth Amendment of the Constitution. If the Atomic Energy Act purported to confer any such authority on the Commission, it would be unconstitutional." But if the District Court lacked jurisdiction of the complaint, arguments made here cannot supply it.

to the said District Court with instructions to dismiss the complaint for lack of jurisdiction.
Dated: September 19, 1957.

Per Chief Judge EDGERTON

APPENDIX C

Amendments to Complaint

With the approval of the Court, the Complaint in this cause is hereby amended by interlineation as follows:

(Amendment to be added at the end of numbered paragraph 1 of the complaint)

"This Court has jurisdiction of this action also because the contemplated acts sought to be enjoined herein are not acts which the defendants are authorized to perform in their official capacity as agents for and on behalf of the United States, in that either such contemplated acts are not within the limits of authority conferred on the defendants by the Atomic Energy Act of 1954 (Public Law 703, 83rd Cong., Approved Aug. 30, 1954; C. 1073, 68 Stat. 921; 42 U.S. Code Secs. 2011-2281), or in that said Act, if construed to confer such authority on the defendants, as applied to the facts of this case, is unconstitutional as a deprivation of private property without provision for compensation therefor, in violation of the Due Process clause of the Fifth Amendment to the Constitution of the United States, as hereinafter more fully appears."

(New paragraph 18 to be added following numbered paragrap 17 of the complaint)

"18. (The contemplated publication is not constitutionally authorized by statute). The statutory authority of the defendants is defined by the Atomic Energy Act of 1954. That Act does not authorize the defendants to "publish" a private citizen's invention disclosed to defendants in confidence and destroy property rights of the private owner thereof without the owner's consent, as is here involved. It does not provide for compensation for such publication and destruction. In more detail:

(a) The Act grants to the defendants broad powers to use, and to communicate privately to others for use, under

suitable safeguards and for certain purposes, "Restricted Data" (Sec. 141; 42 U.S.C. 2161), and provides for compensation for such use and for damages flowing from such private communication (Sec. 173; 42 U.S.C. 2223); however, it limits "Restricted Data" to data that has not been declassified and removed from the category of "Restricted Data", as has the plaintiff's invention (Sec. 11r; 42 U.S.C. 2014r).

(b) The Act grants to the defendants power to permit "property of the United States" to be used by others under suitable safeguards (Sec. 2b, Sec. 3, 42 U.S.C. 2012b, 2013; etc.); however, the invention here concerned is not property of the United States.

(c) The Act declares the policy of the United States in granting certain authority to the defendants to be that they shall direct their activities so as to "strengthen free competition in private enterprise" (Sec. 1b; 42 U.S.C. 2011(b), not so as to destroy property acquired by free enterprise. Its purpose in providing for a "program for the dissemination of unclassified scientific and technical information" (Sec. 3b); 42 U.S.C. 2013b is stated to be to effectuate the policies (*inter alia*, to permit use of "property of the United States" and to "strengthen free competition in private enterprise") set forth in Sections 1 and 2 of the Act. 42 U.S.C. 2011, 2012.

(d) With respect to unclassified scientific and technical information which is the property of a private citizen, the Act authorizes the defendants only to "permit" (the private owner) and "encourage" (the private owner) to disseminate the same (Sec. 141b; 42 U.S.C. 2161b) and specifies that the defendants shall determine what Restricted Data "can be published" (by the owner thereof) and *"shall thereupon cause such data to be declassified and removed from the category of Restricted Data"* (Sec. 142a). (42 U.S.C. 2162(a)) The Act does not in this connection say that the defendants shall publish—or even that they—may publish—the declassified data without regard to the property rights of a private citizen therein, but to the contrary specifies that the determination of what "can be published" shall be subject to the applicable provisions of any other law (such as the undertaking by the Government that the Patent Office (and those in privity

with it) shall maintain patent applications secret under Sec. 122 of the Patent Act of 1952, 35 U.S. Code, Sec. 122), and specifies that the defendants "shall have no power to control or restrict the dissemination of information other than that granted by this or any other law" (Sec. 146). 42 U.S.C. 2166

(e) The limited authority conferred by Sections 141-146 (42 U.S.C. 2161-2166) of the Act does not imply that the defendants, entrusted with a privately owned invention, "shall publish" the invention without regard to the property rights of the owner thereof. The Act does not provide for compensation for any such publication; hence properly construed it does not authorize such publication; or if construed to authorize such publication merely because it does not expressly prohibit the same, it is to that extent, as applied to this controversy, unconstitutional as a deprivation of property without due process of law or provision for compensation therefor, under the due process clause of the Fifth Amendment to the Constitution of the United States."

/s/ JEROME S. SPEVACK
Jerome S. Spevack

* * *

DISTRICT OF COLUMBIA, SS:

Jerome S. Spevack, being first duly sworn, on oath, deposes and says that he is the appellant in this action, that he has read the foregoing Amendments to Complaint, and that the matters and things therein set forth are true to the best of his knowledge, information and belief.

/s/ JEROME S. SPEVACK
Jerome S. Spevack

(Jurat)

APPENDIX D

UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 13834

On Remand by the Supreme Court

Decided June 9, 1958

Messrs. Carleton U. Edwards, II, Joseph Y. Houghton and *Bernard Margolius* for appellant.

Messrs. Oliver Gasch, United States Attorney, and *Lewis Carroll* and *E. Riley Casey*, Assistant United States Attorneys, for appellees.

Before EDGERTON, *Chief Judge*, and WILBUR K. MILLER and BURGER, *Circuit Judges*.

EDGERTON, *Chief Judge:* Appellant seeks to restrain the members of the Atomic Energy Commission from publishing certain material. The facts are stated in *Spevack* v. *Strauss*, 101 U.S. App. D.C. 339, 248, F. 2d 752, decided September 19, 1957. After that decision, appellant moved for leave to amend his complaint. We denied the motion and denied a petition for rehearing. The Supreme Court granted *certiorari*, vacated our judgment and orders, and remanded the cause to us with instructions "(1) to allow petitioner's proposed amendments to the complaint and (2) to determine, in light of the amended complaint, the issues raised by petitioner's appeal." *Spevack* v. *Strauss*, 355 U.S. 601.

The amended complaint says the proposed publication is unauthorized, and also that it would deprive appellant of property without compensation in violation of the Fifth Amendment. The original complaint raised no constitutional question.

In our former opinion we pointed out that Congress has authorized this sort of publication. We now hold that the Constitution does not forbid the publication. In determining this issue we need not pass upon appellant's contention that the publication will be a taking of his property for which compensation must be paid. For the Court of Claims has "jurisdiction to render judgment upon any claim against the United States founded either upon the Constitution or any Act of Congress . . . ." 28 U.S.C. § 1491 (Supp. V). "Where the action against which specific relief is sought is a taking or holding of the plaintiffs' property, the availability of a suit for compensation against the sovereign will defeat a contention that the action is unconstitutional as a violation of the Fifth Amendment." *Larson* v. *Domestic & Foreign Corp.*, 337 U.S. 682, 697, fn. 18. "[I]f the authorized action in this instance does constitute a taking of property for which there must be just compensation under the Fifth Amendment, the Government has impliedly promised to pay that compensation and has afforded a remedy for its recovery by a suit in

the Court of Claims. . . . 'The Fifth Amendment does not entitle . . . [the owner] to be paid in advance of the taking' and the statute affords a plain and adequate remedy. . . ." *Yearsley* v. *Ross Construction Co.*, 309 U.S. 18, 21. *United States* v. *Causby*, 328 U.S. 256.

Appellant's amended complaint therefore fails to state a claim on which relief can be granted. By Rule 15(c), F.R.Civ.P., the "amendment relates back to the date of the original pleading." Accordingly we treat the appeal as though the amended complaint had been filed in the District Court. The case is remanded to that court with instructions to dismiss the amended complaint.

Remanded.

Judgment on Remand by the Supreme Court

Pursuant to judgment of the Supreme Court of the United States dated March 3, 1958, this case came on for reconsideration on the record from the United States District Court for the District of Columbia, on appellant's amended complaint, and on the memoranda filed by the parties subsequent to the remand.

ON CONSIDERATION WHEREOF, it is ordered by the Court:

(1) that the Clerk transmit to the District Court a certified copy of appellant's amendments to the complaint, filed in this court April 16, 1958; and

(2) that this case be, and it is hereby, remanded to the District Court with instructions to dismiss the amended complaint.

Dated: June 9, 1958.

Per Chief Judge Edgerton.

APPENDIX E

IN THE SUPREME COURT OF THE UNITED STATES

October Ter 1957

JEROME S SPEVACK, PETITIONER

vs.

LEWIS L. STRAUSS, *et al.*, RESPONDENTS

Affidavit on Behalf of Respondents in Opposition to Motion for Preliminary Injunction or a Stay

STATE OF MARYLAND,
COUNTY OF MONTGOMERY ss.

John A. Hall, being duly sworn, deposes and says:

That he is the Acting Assistant General Manager for International Activities of the United States Atomic Energy Commission;

That the temporary restraining orders in the above-identified proceeding have precluded the United States Atomic Energy Commission from disseminating considerable information on the subject of the dual temperature exchange process for the production of heavy water;

That the inability to disseminate and publish such information has had an adverse effect on the United States Government's efforts in the Atoms for Peace program announced by President Eisenhower on December 8, 1953;

That an important facet of the United States Government's foreign policy as implemented through the Atoms for Peace program is the dissemination of scientific and technical information relating to the field of atomic energy, so as to promote and encourage the free interchange of ideas essential to scientific and industrial progress;

That scientific and technical information relating to heavy water became declassifiable pursuant to Atomic Energy Commission action in December of 1956, and it was announced publicly that such information would soon be available;

That in April 1957 at a conference in Amsterdam, the Netherlands, on isotopes separation processes, the United States delegation was seriously impeded by an inability to disseminate and discuss certain areas of information on the dual temperature exchange process for the production of

heavy water because of the aforesaid temporary restraining order;

That in the interval between April 1957 and the present the United States Atomic Energy Commission, because of its inability to effectively participate, has refrained from satisfying requests from numerous individuals, private organizations, foreign governments and regional organizations for participation of United States technical personnel in meetings or projects wherein heavy water technology was the subject for discussion and the presentation of United States *know-how* was anticipated;

That currently, two outstanding examples exist of activities in which U. S. participation would be in the national interest, but such participation will be negligible if a restraining order is in effect:

1. The Second International Scientific Conference on the Peaceful Uses of Atomic Energy to be held at Geneva, Switzerland, on September 1 through 13, 1958—One of the important topics to be presented at the Conference will be isotopes separation processes. The U. S. presentation will, by necessity, be considerably weakened if free discussion on all heavy water technology is not permitted. A number of other countries have submitted several papers within this general area for discusion, but with a restraining order in effect no U. S. delegates to the Conference would be able to participate effectively.

2. The Organization for European Economic Cooperation, of which the U.S. is an associate, is currently making a serious study concerning the possibility of constructing a heavy water plant to produce a minimum of 100 tons per year. Formal requests have been made to the United States Atomic Energy Commission for advice and guidance in evaluating this proposal and in determining what production process to utilize. The United States Atomic Energy Commission has not been able to fully cooperate in this activity and no U. S. personnel have accepted invitations to participate in the Study Group's work because of the existing restraining orders;

That for the above reasons, it is felt that the national interest demands that the U. S. be in position to participate

in the above and other discussions on all aspects of production of heavy water so as to show the technical progress made by the United States in such production.

/s/ JOHN A. HALL
John A. Hall

Subscribed and sworn to before me in the County of Montgomery, State of Maryland, this 2 day of July, 1958.

BATTAILLE S. POWER

APPENDIX F

SUPREME COURT OF THE UNITED STATES

Order[1]

Upon consideration of the application of counsel for the petitioner and of the opposition of the Solicitor General thereto,

IT IS HEREBY ORDERED that Lewis L. Strauss, Harold S. Vance, Dr. Willard Libby, and Thomas Murray, and each of them, their officers, agents, servants, and employees, and all persons in active concert and participation with them, and their successors in office be, and the same are hereby, enjoined from the further promulgation or disclosures or from the communication or dissemination of prior disclosures, concerning the improved processes involved in petitioner's patent application as described in his complaint filed in the United States District Court for the District of Columbia.

This order is conditioned upon the timely filing of a petition for certiorari. Should such petition be timely filed, this stay is to continue pending action on said petition. In the event petition for certiorari is granted, the stay is to continue pending issuance of the judgment of this Court.

/s/ EARL WARREN
Chief Justice of the United States

Dated this 3rd day of July, 1958.

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[1] Comparable orders of this court and the courts below have been in continuous effect since April 11, 1957.

APPENDIX G

U. S. DEPARTMENT OF COMMERCE
UNITED STATES PATENT OFFICE

Washington

Re: Serial No.
Filed:
Inventor:

Access Acknowledgment

As Required by

Title 35, United States Code (1952) Section 181

I hereby acknowledge that I have inspected the disclosure of the above identified application for patent in the administration of the law cited above, on behalf of the department or agency which I represent, and promise that any information acquired from said application will not be divulged, disclosed or used for any purpose other than in the administration of the cited law.

Name Date Agency Represented

APPENDIX H

Legislative History of the Atomic Energy Act of 1954

(United States Code—Congressional and Administrative News, 83rd Congress 2nd Session 1954) [pages 3456-3539]

Senate Report No. 1699, June 30, 1954 (To accompany S. 3690)

The Joint Committee on Atomic Energy, to whom was referred the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, having considered the same, unanimously report favorably thereon, and recommended that the bill do pass. . . .

* * *

This report describes the background of S. 3690, . . . sets forth the basic considerations which impelled the Joint Committee to report it favorably, and furnishes a section-by-section analysis of the bill. [Page 3456]

* * *

The information control provisions of the organic law and of these bills are built around the concept of restricted data, which the Atomic Energy Act of 1946 defines as "all data concerning the manufacture or utilization of atomic weapons, the production of fissionable material, or the use of fissionable material in the production of power, but shall not include any data which the Commission from time to time determines may be published without adversely affecting the common defense and security." [Page 3462]

* * *

CHAPTER 1, DECLARATION, FINDINGS, AND PURPOSES

In this chapter are set forth the basic statements of policy and aims of the legislation and the constitutional findings in support of the legislation.

* * *

Section 2: The legal basis of the proposed legislation is the constitutional powers of the United States including, among others, to provide for the common defense; to raise and support armies; to provide and maintain a navy; to make all needful rules and regulations respecting the

territory or other *property belonging to the United States;* and to regulate commerce with foreign nations and among the several States. [page 3465]

* * *

. . . In view of the broad powers conferred upon the Congress by *article 4, section 3, clause 2,* of the Constitution, there can be no doubt of the authority of the Congress to exercise its powers to provide for any manner of regulation needed to protect the national interests, and the interests of the public.

* * *

Chapter 2. Definitions

"Section 11 r: "Restricted Data" is defined to include all data concerning (1) the design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy. The definition provides that data declassified or removed from the category is removed from the definition. [page 3466]

* * *

Chapter 12. Control of Information

This chapter sets forth provisions for the protection of secret information relating to atomic energy.

Section 141 sets forth the policies for dealing with restricted data; namely, that the Commission shall control the dissemination and classification of restricted data in such a manner as to assure the common defense and security; that the exchange of restricted data with other nations before enforcible international safeguards against the use of atomic energy for destructive purposes have been established are forbidden except pursuant to agreements for cooperation under section 144; and that dissemination of technical information is to be encouraged so as to have the free interchange of ideas and criticism which is essential to scientific and industrial progress and public understanding and to enlarge the fund of technical information. [page 3478]

* * *

Section 146 continues the application to restricted data and to persons in the atomic energy program of other laws relating to the protection of information. It also forbids the Commission from controlling or restricting any information outside of any powers granted by any law. [page 3480]

* * *

CHAPTER 15, COMPENSATION FOR PRIVATE PROPERTY ACQUIRED

Section 173 requires the Commission to pay just compensation for the disclosure of restricted data to any foreign nation where such restricted data is based on a patent application owned by a person other than the United States. [page 3483]

* * *

SUPREME COURT, U. S.

DEC 15 1958

JAMES R. BROWNING, Clerk

No. 339

IN THE

Supreme Court of the United States

OCTOBER TERM, 1958

JEROME S. SPEVACK,
Petitioner,

vs.

LEWIS L. STRAUSS, ET AL.,
Respondents.

BRIEF AMICUS CURIAE ON BEHALF OF ENGINEERS JOINT COUNCIL, INC.

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INTEREST OF AMICUS CURIAE

Engineers Joint Council, Inc. is a corporation not for profit organized under the laws of the State of New York. It was formed for the purpose of providing an agency to coordinate the activities of the major national professional engineering societies in matters of common interest to such societies.

Engineers Joint Council represents national engineering societies, regional engineering societies, and federations of engineering societies having a total membership of two hundred and fifty thousand engineers and scientists.

Since Engineers Joint Council represents such a vast number of our nation's engineers and the case at bar pre-

sents a serious threat to the fundamental rights of our country's engineers and scientists, consent was obtained to file this brief.

Engineers Joint Council filed briefs as amicus curiae in support of Petitioner's petition for writ of certiorari herein and Petitioner's prior petition for writ of certiorari (No. 641, October Term, 1957.) It otherwise has not participated in the proceedings below, nor has it knowledge of the record below because that record was impounded.

OPINIONS BELOW

The District Court rendered no opinion on entering its findings of fact and conclusions of law, and order denying petitioner's motion for a preliminary injunction.

The opinion of the Court of Appeals for the District of Columbia Circuit is reported at 248 F. 2d 752.

The opinion of the United States Court of Appeals for the District of Columbia Circuit, dated June 9, 1958, is reported at 257 F. 2d 208. An earlier opinion in this Court is found in 355 U.S. 601.

JURISDICTION

The judgment of the Court of Appeals was entered on June 9, 1958. The jurisdiction of this Court is invoked under 28 U.S.C. Sec. 1254.

QUESTIONS PRESENTED

The issues in this case which are of primary concern to Engineers Joint Council are:

1. Was the Atomic Energy Act of 1954 correctly interpreted by the Court of Appeals for the District of Columbia circuit as directing or authorizing the Respondents to

deprive a citizen of private property rights in an invention, which forms the subject matter of a pending U. S. patent application, which application and invention were disclosed to the U. S. Atomic Energy Commission in confidence according to the law, by publishing and/or publicly disseminating said subject matter without regard to the proprietary rights of the inventor thereof, without his consent, and to his detriment, where such act makes no provision for just compensation or due process of law for such deprivation.

2. Did the interpretation of the Court of Appeals render the statute unconstitutional as:

A. Providing for and authorizing the disposition of property not belonging to the United States and/or;

B. Authorizing a deprivation of private property without due process of law or providing for just compensation.

This amicus adopts the position of the petitioner with respect to these questions.

STATEMENT OF CASE

In the interest of brevity, this amicus curiae incorporates by reference herein the statement of the case as set forth in the petitioner's brief herein.

CONSTITUTIONAL PROVISIONS AND STATUTES INVOLVED

The Constitutional provisions and statutes involved are United States Constitution, Article I, Section 8; Article 4, Section 3; 5th, 9th and 10th Amendments; Atomic Energy Act of 1954, Sections 1, 2, 3, 141, 142, 146, 151, 152 and 153; The Patent Act of 1952, Sections 122 and 181, the applicable portions of which are set forth in the appendix hereto.

ARGUMENT

The decision of the Court below that the Atomic Energy Act of 1954 authorizes the Atomic Energy Commission to publish and otherwise publicly to disclose and disseminate the subject matter of a pending United States patent application when said application and invention were disclosed to the Atomic Energy Commission in confidence according to law, thereby destroying the proprietary rights of the inventor therein, is contrary to the language and meaning of that Act.

The Court of Appeals in reaching its decision read together Sections 36 and 141 of the Atomic Energy Act of 1954. These sections broadly authorize the dissemination of declassified information for the purpose of addding to scientific and industrial knowledge and aiding and encouraging scientific and industrial progress. The Court below interpreted this power as broad and inclusive and including the power to disseminate both information the property of the United States and information the property of private persons. Upon this interpretation the Court below dismissed the action as an unconsented suit against the United States upon the authority of *Larson v. Domestic and Foreign Commerce Corp.*, 337 U.S. 682, 93 L. Ed. 1628.

The holding of the *Larson* case obviously applies to this matter. The *Larson* case held that a suit for injunction can be successfully maintained against officers of the United States only when their actions are either not authorized by statute, or if so authorized the statutory authority is unconstitutional. The Petitioner herein contends that the Atomic Energy Act of 1954 does not on the facts of this case authorize this disclosure and publication, or if it does so authorize it the statute as so construed and applied to

the facts of this case is unconstitutional. Therefore the questions as presented herein must need be decided before it can be determined whether this action is in fact an unconsented suit against the United States.

It is the view of this amicus that the Court below in interpreting the Atomic Energy Act of 1954 failed to give consideration to Sections 2 and 146 of the Act and the relevant provisions of The Patent Act of 1952. In Section 2 Congress made its findings as to the policies concerning use and development of Atomic Energy. The second of said findings is that "In permitting the *property* of the United States to be used by others, such use must be regulated in the national interest . . ." (42 U.S.C. Sec. 2012b).

Obviously secret confidential information that is classified as restricted data is either the property of the United States or some other party. The Commission is clearly given the authority to publish such data as it sees fit to declassify when such data is the *property* of the United States. However, when, as in this case, the data being the subject of a pending patent application is the property of a private person, logic, common sense and fair dealing require a strict interpretation of the statute.

Nothing in the history or terms of the statute reveal an intent by Congress to permit the Commission to destroy the property of private persons by publishing the subject matter of patent applications which have been kept secret by order of the Commission before a patent is issued by the United States Patent Office. On the contrary, Section 146 of the Act of 1954 provides that "Sections 141 to 145, inclusive, shall not exclude the applicable provisions of any other laws . . ." (42 U.S.C. Sec. 2166 (a). Sections 141 to 145 of the Act of 1954 are those dealing with the control of information. The Court below completely ignored this section and the applicable provisions of other laws; to-wit,

Sections 122 and 181 of the Patent Act of 1952 (35 U.S.C. 122 and 181).

Section 122 of the Patent Act provides that all patent applications will be kept in confidence and no information disclosed concerning them except as otherwise provided Section 182 provides for the machinery by which patent applications affecting the national defense may be disclosed to the Atomic Energy Commission and be placed under secrecy order. Upon rescission of this secrecy order on February 1, 1957 the provisions of Section 122 still controlled this pending patent application. Manifestly Congress did not intend to have the Patent Office preserving the application in confidence and the Atomic Energy Commission publishing the same to the world, yet that is the result reached by the Court below in refusing to give effect to Section 146 of the Atomic Energy Act of 1954.

Did the interpretation of the Court below put an unconstitutional construction upon the Atomic Energy Act of 1954 as:

I. Authorizing the disposition of property other than that of the United States.

It is a universal rule in statutory construction that if possible a statute should be construed and interpreted as accomplishing a constitutional purpose in a constitutional manner. This the Court below failed to do. Although it did not rule the Atomic Energy Act of 1954 to be unconstitutional as applied to the facts of this case, the interpretation put on the Act by the Court of Appeals must need result in holding that as interpreted it is unconstitutional. The Constitution clearly gives Congress the power to dispose of the property of the United States in Section 3 of Article 4. The reservations of powers provided for in the

Ninth and Tenth Amendments clearly bar from the power of Congress the right to dispose of the property of private persons. Further, the Fifth Amendment provides that no person may be deprived of property without due process of law.

Since the case of *James v. Campbell*, 104 U.S. 356, the subject matter of a patent has been recognized as property within the Fifth Amendment. It follows equally that the subject matter of a pending patent application is the property of the applicant. The Atomic Energy Act in Sections 151 et seq. provides for compensation to an inventor for the *use* of his invention or patent and in Section 173 compensation for disclosure of a patent as Restricted Data is allowed.

All of this may be constitutionally sustained upon the theory that by placing the patent application under a secrecy order and considering it as Restricted Data the Congress intended that the Commission would be taking an interest in said invention or patent on behalf of the United States. However, on the fact situation involved in the instant case no compensation is provided for in the Act and it is clear that Congress did not intend to purchase the inventor's rights to foreign patents only to have said rights destroyed by Commission publication. It is obvious, therefore, that what the Commission proposes to dispose of, i.e. the right to make foreign patent application, is not the property of the United States but that of Petitioner.

II. Taking of private property without due process of law.

The Court below refused to consider the argument that the action of the Commission constituted a taking of property without due process. In its opinion the Court of Appeals merely referred to the general jurisdictional stat-

ute granting jurisdiction to the Court of Claims, 28 U.S.C. Sec. 1491. It is obvious that if Petitioner were to seek relief in the Court of Claims he would have to do so on the Basis of a claim founded upon the Constitution since the Atomic Energy Act makes no provision for any such claim. However, this Court has in the past recognized that not every taking of private property by government authority gives rise to a claim for constitutional compensation, *Hooe v. United States*, 218 U.S. 322, *United States v. North American Trans. & Trucking Co.*, 253 U.S. 330. Moreover, the Constitution requires compensation only for property taken for a public use; no public use of Petitioner's property is being contemplated by the premature disclosure and publication thereof but merely the destruction of the same.

CONCLUSION

Wherefore, it is respectfully submitted that for the reasons given herein the decision of the Court of Appeals should be reversed and the case remanded to the District Court for hearing on the merits.

Respectfully submitted,

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APPENDIX

Constitutional Provisions, Statutes and Rules Involved

United States Constitution

Article 1, Section 8, reads in part as follows:

"The Congress shall have power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;" . . .

Article 4, Section 3, reads in part as follows:

"The Congress shall have Power to dispose of . . . Property belonging to the United States . . ."

Amendment V—Due Process Clause, reads in part as follows:

"No person shall . . . be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation."

Amendment IX

"The enumeration in the Constitution of certain rights, shall not be construed to deny or disparage others retained by the people."

Amendment X

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Atomic Energy Act of 1954.

August 30, 1954, c. 1073, Sec. 1; 68 Stat. 921 et seq.; 42 U. S. C. (Supp. IV) Sec. 2011 et seq:

"Sec. 2. (68 Stat. 921; 42 U. S. C. Sec. 2012) Findings. The Congress of the United States hereby makes the following findings concerning the development, use, and control of atomic energy:

"b. In permitting the property of the United States to be used by others, such use must be regulated in the national interest and in order to provide for the common defense and security and to protect the health and safety of the public."

" Sec. 3. (69 Stat. 922; 42 U. S. C. Sec. 2013) Purpose.—It is the purpose of this Act to effectuate the policies set forth above by providing for—

"a. a program of conducting, assisting, and fostering research and development in order to encourage maximum scientific and industrial progress;

"b. a program for the dissemination of unclassified scientific and technical information and for the control, dissemination, and declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress;

"f. a program of administration which will be consistent with the foregoing policies and programs, with international arrangements, and with agreements for cooperation, which will enable the Congress to be currently informed so as to take further legislative action as may be appropriate."(

"*Chapter 12. Control of Information*

"Sec. 141 (68 Stat. 940; 42 U. S. C. Sec. 2161) Policy.—It shall be the policy of the Commission to control the dissemination and declassification of Restricted Data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:

"b. The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific and industrial

progress and public understanding and to enlarge the fund of technical information."

"Sec. 142. (68 Stat. 941; 42 U. S. C. 2162) Classification and Declassification of Restricted Data.—

"a. The Commission shall from time to time determine the data, within the definition of Restricted Data, which can be published without undue risk to the common defense and security and shall thereupon cause such data to be declassified and removed from the category of Restricted Data.

"b. The Commission shall maintain a continuous review of Restricted Data and of any Classification Guides issued for the guidance of those in the atomic energy program with respect to the areas of Restricted Data which have been declassified in order to determine which information may be declassified and removed from the category of Restricted Data without undue risk to the common defense and security."

Sec. 146. (68 Stat. 943; 42 U. S. C. Sec. 2166) General Provisions—

"a. Sections 141 to 145 inclusive, shall not exclude the applicable provisions of any other laws, except that no Government agency shall take any action under such other laws inconsistent with the provisions of those sections.

"b. The Commission shall have no power to control or restrict the dissemination of information other than as granted by this or any other law."

Section 151 (a), (b); 42 U. S. C. (Supp. IV) § 2181)

"(a) No patent shall hereafter be granted for any invention or discovery which is useful solely in the utilization of special nuclear material or atomic energy in an atomic weapon. Any patent granted for any such invention or discovery is revoked, and just compensation shall be made therefor.

(b) No patent hereafter granted shall confer any rights with respect to any invention or discovery to the extent that such invention or discovery is used in the utilization of special nuclear material or atomic energy in atomic weapons. Any rights conferred by any patent heretofore granted for any invention or discovery are revoked to the extent that such invention or discovery is so used, and just compensation shall be made therefor."

"*Sec. 152*

"Any invention or discovery, useful in the production or utilization of special nuclear material or atomic energy, made or conceived under any contract, subcontract, arrangement, or other relationship with the Commission, regardless of whether the contract or arrangement involved the expenditure of funds by the Commission, shall be deemed to have been made or conceived by the Commission, except that the Commission may waive its claim to any such invention or discovery if made or conceived by any person at or in connection with any laboratory under the jurisdiction of the Commission as provided in section 2053 of this title, or under such other circumstances as the Commission may deem appropriate . . .

"The Commissioner of Patents may proceed with the application and issue the patent to the applicant (if the invention or discovery is otherwise patentable) unless the Commission, within 90 days after receipt of copies of the application and statement, directs the Commissioner of Patents to issue the patent to the Commission (if the invention or discovery is otherwise patentable to be held by the Commission as the agent of and on behalf of the United States . . ."

Section 153 (a), (g); 42 U. S. C. (Supp. IV § 2183)

"(a) The Commission may, after giving the patent owner an opportunity for a hearing, declare any patent to be affected with the public interest if (1) the invention or discovery covered by the patent is of primary importance in the production or utilization of special nuclear material or atomic energy; and (2) the licensing of such invention or discovery under this section is of primary importance to effectuate the policies and purposes of this chapter.

(g) The owner of the patent affected by a declaration or a finding made by the Commission pursuant to subsection (b) or (e) of this section shall be entitled to a reasonable royalty fee from the licensee for any use of an invention or discovery licensed by this section. Such royalty fee may be agreed upon by such owner and the patent licensee, or in the absence of such agreement shall be determined for each patent license by the Commission pursuant to section 2187 (c) of this title."

Patent Act of 1952

"*Sec. 122 Confidential Status of Patent Applications.*—Applications for patents shall be kept in confidence by the Patent Office and no information concerning the same given without authority of the applicant or owner unless necessary to carry out the provisions of any Act of Congress or in such special circumstances as may be determined by the Commissioner (of Patents)" (July 19, 1952, c. 950, sec. 1, 66 Stat. 801; 35 U. S. C. 122).

"*Sec. 181. Secrecy of Certain Inventions and Withholding of Patent.*—

. . . Whenever the publication or disclosure of an invention by the granting of a patent, in which the Government does not have a property interest, might, in the opinion of the Commissioner (of Patents) be detrimental to the na-

tional security, he shall make the application for patent in which such invention is disclosed available for inspection to the Atomic Energy Commission . . .

. . . If, in the opinion of the Atomic Energy Commission . . . the publication or disclosure of the invention by the granting of a patent therefor would be detrimental to the national security, the Atomic Energy Commission, . . . shall notify the Commissioner (of Patents) and the Commissioner (of Patents) shall order that the invention be kept secret and shall withhold the grant of a patent for such period as the national interest requires, and notify the applicant thereof . . .

. . . The Commissioner (of Patents) may rescind any order upon notification by the heads of the departments and the chief officers of the agencies who caused the order to be issued that the publication or disclosure of the invention is no longer deemed detrimental to the national security." (July 19, 1952, c. 950, Sec. 1, 66 Stat. 805; 35 U. S. C. Sec. 181).

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Poste, *Gains* (Oxford, 1871), p. 171 50
Power Reactor Technology, Technical Progress Reviews, September 1958, Vol. 1, No. 4 3
2 Robinson, *Patents* (1890), Secs. 808, 834 26
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Fifth Report, January 1949, pp. 83–86, 105–119 35
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Treaties in Force, a List of Treaties and Other International Agreements of the United States, in Force on January 1, 1958, p. 209 6
2 Walker, *Patents* (Deller's ed.):
Secs. 366, 373–375 26
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In the Supreme Court of the United States

OCTOBER TERM, 1958

No. 339

JEROME S. SPEVACK, PETITIONER

v.

LEWIS L. STRAUSS, ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

BRIEF FOR THE RESPONDENTS

OPINIONS BELOW

The opinion of the United States Court of Appeals for the District of Columbia Circuit, dated June 9, 1958 (Pet. Br. App. 14a–16a)[1] is reported at 257 F. 2d 208.

[1] The parts of the record printed in the appendix to petitioner's brief are cited "Pet. Br. App. ———", those in respondents' appendix "Resp. Br. App. ———". The petition for a writ of certiorari in No. 339 is cited "Pet. ———". Material in the Court's record in No. 641, October Term 1957, is cited "R. ———". R. 1–71, 114–120, are available in printed form in the impounded joint appendix to petitioner's brief in the Court of Appeals and in the impounded supplemental appendix to petitioner's petition for rehearing in that court, nine copies of each of which were filed in this Court.

As explained in the stipulation dated December 4, 1958, this

Earlier opinions rendered in this litigation (Pet. Br. App. 9a–11a; Resp. Br. App. 65) are reported at 248 F. 2d 752 and 355 U.S. 601.

JURISDICTION

The judgment of the Court of Appeals was entered on June 9, 1958 (Pet. Br. App. 16a). Petitioner's "suggestion" that the Court of Appeals *sua sponte* vacate its opinion, filed on June 11, 1958, was denied on June 24, 1958 (Resp. Br. App. 66–67). The petition for a writ of certiorari, filed on September 6, 1958, was granted on October 27, 1958 (Resp. Br. App. 68). The jurisdiction of the Court rests upon 28 U.S.C. 1254(1).

QUESTIONS PRESENTED

1. Whether, under petitioner's arrangements and dealings with the Atomic Energy Commission, the Commission has the right to disclose petitioner's alleged invention in the course of its publication of information on the operations and structure of Commission-owned plants.

2. Assuming that petitioner has not authorized such publication by the Commission, whether he is nevertheless entitled, in the circumstances of this case, to the relief of an injunction against publication.[2]

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presentation has been agreed upon as a suitable method of making material available without violating impounding orders of this Court and of the courts below. In granting certiorari, this Court permitted use of the record in No. 641, October Term 1957 (Resp. Br. App. 68).

[2] An additional question previously posed by respondents, and argued in petitioner's brief (Pet. Br. 10–12, 40–47), is whether this case was mooted by the dissemination of the technical manuals and reports of respondents' plants before the suit was insti-

CONVENTION AND STATUTES INVOLVED

The pertinent provisions of the Convention for the Protection of Industrial Property of June 2, 1934, 53 Stat. 1768, of the Atomic Energy Act of 1954, 68 Stat. 919, 42 U.S.C. (Supp. V) 2011, *et seq.*, of Title 35 of the United States Code (Patents), and of the Tucker Act, 28 U.S.C. 1491, are set forth in Appendix A, *infra*, pp. 52 ..a.

STATEMENT

1. *The factual background.*—While the trial court proceedings did not progress beyond a denial of a preliminary injunction, the controlling facts are established by pleadings, affidavits, uncontroverted statements, and concessions of the parties.

(*a*) From 1943 to 1946, petitioner was employed by a contractor of the Manhattan Engineering District, the predecessor to the Atomic Energy Commission. During this period, he invented a dual temperature exchange process for the production of heavy water.[3] In 1945, a patent application was filed by

tuted. The issue of mootness was decided by the district court and urged by respondents in No. 641, October Term 1957, Brief in Opposition, pp. 2, 12–13. We do not reargue this question at this time for it now appears to us that, in remanding for amendment of the complaint in No. 641, this Court rejected a finding of mootness on the present record.

[3] Heavy water is used as a moderator in atomic reactors. As such, it plays an important role in the production of special nuclear materials (see, *e.g.*, Smyth, *A General Account of the Development of Methods of Using Atomic Energy for Military Purposes Under the Auspices of the United States Government, 1940–1945*, pp. 22–23, 47–48, 122–123 (1945)) and in the development of reactors for the generation of electric power (*Power Reactor Technology*, Technical Progress Reviews, September 1958, Vol. 1, No. 4, pp. 59–63; Atomic Energy Commission, *Atomic Energy Facts*, pp. 91, 131–138 (1957)).

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government counsel on this process and, after allowance, was held in abeyance because of security requirements. The patent was issued to the Atomic Energy Commission as petitioner's assignee on April 2, 1957, after the secrecy order had been rescinded (R. 2, 46–47).[4]

Between 1946 and 1949, while self-employed, petitioner developed what he considers a new and improved process for the production of heavy water. In January 1949, petitioner was hired by the Atomic Energy Commission as a paid consultant to write a report on the dual temperature exchange process. In this capacity, as the district court found and as petitioner admits, he prepared and submitted a report analyzing the process for the production of heavy water, including a disclosure of his alleged improvement, for use in the Commission's plants (R. 2, 18, 47–48; Pet. Br. 14, 33; Pet. 15–16; Reply to Respondents' Brief in Opposition, pp. 7, 10). Under further contracts, petitioner served as a consultant on the construction and operation of heavy water plants until 1953 (R. 2. 47–48; Pet. 16). The Commission's Dana Plant and Savannah River Plant were established during this period, incorporating the features of what later became the Commission-owned patent and improvements, including that which petitioner asserts

[4] Petitioner asserts that he made the first invention in 1942 (Pet. Br. 13). During that period he was employed by a contractor of the Office of Scientific Research and Development, a government agency. While perhaps initially conceived at this time, the invention was completed during petitioner's work for the Manhattan District. Pursuant to the terms of these contracts he assigned the patent to the government.

to be his additional invention.[5] It is agreed that, in the course of his employment, petitioner reserved any invention rights which he may have in the improvement (R. 2, 47–48; Pet. Br. 14; Pet. 16).

A patent application on the alleged invention of this improvement was filed by petitioner on September 29, 1950 (R. 9, 18). Acting under the authority of the Act of October 6, 1917, 40 Stat. 394, as amended, now 35 U.S.C. 181, the Patent Office made this application available to the Atomic Energy Commission for security review and, on October 30, 1950, the Patent Office issued a secrecy order with respect to it (R. 3, 9–10). Until the order was withdrawn, no patent could have been issued,[6] and petitioner was

[5] The district court expressly found that technical manuals describing operations of these plants (attached and referred to in the respondents' exhibits, R. 19–37) "incorporated description of the alleged improvements claimed by the plaintiff" (R. 18). Utilization of the improvement in the Commission's plants was stated by respondents' counsel in the district court (R. 48), is expressly asserted in petitioner's brief, and previously in his petition for certiorari, his reply to respondents' brief in opposition, and his petition for discovery in No. 339; the integration of the alleged improvement in the plants also underlies petitioner's continuous efforts to prevent publication of manuals, flow sheets, etc. of these plants and his charges that any such publication would violate the orders forbidding disclosure of the processes involved in his patent application. R. 13; Pet. Br. 14, 35–36; Pet. 16–17, 34–35; Reply to Brief in Opposition, pp. 2–3, 10; Petition for Discovery, filed in this Court on August 25, 1958, pp. 2, 3–4, 6; Supplement to Petition for Discovery, filed on September 12, 1958, p. 2.

[6] Despite the secrecy order, the Patent Office nevertheless processed the application as its regulations provide, and would have advised petitioner when it was in condition for allowance except for the secrecy order. 37 C.F.R. 5.3. Since petitioner's application was originally rejected and was not allowed until

also enjoined from publishing and disclosing the invention (R. 9–10). While the secrecy order was effective, petitioner was therefore prevented from filing patent applications in foreign countries (R. 3–4, 10–11) and did not have available the protection of Article 4 of the Convention for the Protection of Industrial Property (*infra*, pp. 52–53) which provides that if a patent application has been filed in a convention country an application may be filed within a year in any other country belonging to the convention without being open to the challenge of prior publication having occurred during that year.[7]

(*b*) Late in 1956, the Atomic Energy Commission determined that defense and security considerations no longer required the classification of processes for the production of heavy water and that, thenceforth, this information should be disseminated. Specifically, it was to have been discussed at a conference on isotope separation processes to be held in Amsterdam in April 1957 (cf. Pet. Br. App. 17a–18a). The Commission published a notice in December 1956 that it proposed to declassify heavy water information (R. 50). On January 22, 1957, petitioner wrote to the Chairman of the Commission, requesting declassification of the subject matter of the two patent applications

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after the rescinding of the secrecy order in February 1957, no notice of allowance was transmitted and the secrecy order did not actually delay issuance of the patent. R. 48; Pet. Br. 38, n. 8.

[7] The United States and some fifty other countries are members of the Convention. *Treaties in Force, a List of Treaties and Other International Agreements of the United States, in Force on January 1, 1958*, p. 209.

(*supra,* pp. 3–5), as he desired to deliver a paper concerning them at the Amsterdam conference (R. 50).

The projected declassification commenced in the early part of 1957 (R. 4). The secrecy orders relating to the patent applications were rescinded on February 1, 1957, an action of which petitioner was notified several days earlier (R. 4, 12). At about the same time, the Commission declassified and made available to the public the manuals and reports describing the operation of its heavy water plants (R. 18–37), and opened the plants to public inspection (*e.g.,* R. 36).

(*c*) At this juncture, petitioner apparently changed his mind about disclosing his invention and requested the Atomic Energy Commission to refrain from the publication of any data relating to his 1950 patent application in view of the adverse effect such publication would have on the patentability of the invention in foreign countries. Petitioner pointed out that, as the result of the secrecy order, he had not been able to file his foreign patent applications and secure the benefits of the one-year period of the Convention for the Protection of Industrial Property. In a letter addressed by his patent attorney to the Atomic Energy Commission on March 13, 1957, and attached to his complaint in this proceeding (R. 11–13), he took the position that, while he was proceeding "as rapidly as possible" with the filing of patent applications in a number of foreign countries, it

> * * * would be most unfair for the Commission * * * to publish information that would

> bar a U.S. citizen from obtaining foreign patents on applications that could not previously be filed because of secrecy orders instigated by the Commission.
>
> * * * * *
>
> Of course when Mr. Spevack's U.S. patent is issued and this itself becomes a publication, a matter that we hope will ensue within the next few months, then anything disclosed * * * at that time will not be a breach of any contractual or moral duty owed to Mr. Spevack by the Commission as a branch of the Government dealing fairly with its citizens.

On March 21, 1957, the respondents advised petitioner that they were willing to postpone by thirty days the publication of the two reports specified in petitioner's letter of March 13, 1957 (cf. R. 13, footnote), and to consider a similar delay with respect to such other Commission reports as petitioner would request (R. 74).[8] The thirty-day period would have expired approximately at the time of the opening of the Amsterdam conference at which Mr. Spevack had planned to describe the processes (*supra,* pp. 6–7).

2. *The judicial proceeding.*—On April 10, 1957, petitioner filed his complaint for injunctive relief (R. 1–13). The basic theory of the complaint was that, as the result of the 1950 secrecy order, petitioner was deprived of the benefits of the Convention for the Protection of Industrial Property, *viz,* that, if he could have filed his patent applications abroad within

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[8] This letter was attached as an exhibit to an affidavit of the petitioner in the Court of Appeals, and is not in the printed portion of the record in No. 641. See n. 1, *supra.*

a year of the filing of his application with the United States Patent Office, these foreign applications could not have been defeated by any publication made during that year (R. 4, 5). Petitioner therefore asked that the publication of information with regard to his process be enjoined lest he be barred from obtaining patents abroad. He assured the court that he was taking steps to file patent applications in 21 foreign countries as rapidly as possible (Complaint, par. 15, R. 6).

In his complaint, petitioner also alleged that the Commission had no right to publish the improved processes because it had received the information in a confidential disclosure (R. 4–5). Although the complaint alleged that contracts petitioner had with the Commission "expressly recognized his rights in the subject matter disclosed to the A.E.C. by him" (R. 2), it thereafter referred only to disclosures made in petitioner's patent application and under the reporting provisions of the Atomic Energy Act (R. 2), omitting reference to disclosures made by petitioner during his work as an employed consultant. Such disclosures were only later conceded by petitioner and found by the district court (*supra*, pp. 4–5, and n. 5).

On the same day that the complaint was filed, April 10, 1957, petitioner obtained a temporary restraining order on the ground that the consequence of "the disclosure of the subject matter of plaintiff's U.S. Patent Application, Ser. No. 188,925, prior to his application for foreign patents * * * would be to destroy plaintiff's right to obtain foreign patents on his said invention in most foreign countries * * *" (R. 14–15). The order enjoined respondents from "caus-

ing or permitting the dissemination of any documents, reports, memoranda, technical data, in their pleadings in this action, or otherwise, disclosing the heretofore unpublished features of plaintiff's [petitioner's] Patent Application * * *."

Petitioner's motion for a preliminary injunction was opposed on the ground that the litigation had become moot. Affidavits and technical manuals attached to respondents' opposition to the motion for preliminary injunction indicated the extent of the dissemination and publication of the processes of heavy water production which had occurred pursuant to the declassification orders (R. 17, 19–37). Finding that reports containing a description of the improvements claimed by petitioner had been disclosed to the public before this suit was filed,[9] the dis-

[9] The secrecy order had been lifted on or about February 1, 1957. By February 6, 1957, the manuals and reports started to become available to the public (R. 19, 20). Petitioner instituted these proceedings on April 10, 1957, *i.e.*, two months later.

Respondents' exhibits in this suit showed that, during the interim period, the manuals and reports had been open to the public in three technical libraries of the Commission (R. 19, 21, 31–34) and at offices and libraries of several A.E.C. contractors (R. 22, 30) and that they had been transmitted to a Canadian body and to a Swedish firm engaged in atomic energy work (R. 24, 25, 27). Petitioner has contended that the affidavits were incompetent, insufficient to prove publication, and, in any event, did not establish publication in a number of countries which will grant a patent as long as no domestic publication has occurred (R. 61, 64, 66–68, 72–78; Pet. Br. 40–47).

Petitioner's Petition for Discovery and the Supplement thereto, filed in this Court on August 25 and September 12, 1958, revealed that an article was published in July 1958 in a West German scientific journal, which disclosed features of his proc-

trict court denied the motion for a preliminary injunction.

The Court of Appeals affirmed (Pet. Br. App. 9a–11a). It held that under Sections 3(b) and 141 of the Atomic Energy Act of 1954, 42 U.S.C. (Supp. V) 2013(b), 2161, App. A, *infra*, pp. 53, 54–55, respondents possessed the statutory authority to disclose the data here involved and that petitioner did not allege any statutory limitation, but, at best, challenged respondents' discretion in exercising their power. Hence, the court reasoned, the complaint actually constituted an unconsented suit against the United States which should have been dismissed for lack of jurisdiction, rather than on the ground of mootness. In these circumstances the Court of Appeals did not reach the latter issue (Pet. Br. App. 10a).

The judgment of the Court of Appeals was entered on September 19, 1957 (Pet. Br. App. 11a–12a). Twelve days later, petitioner applied for leave to amend his complaint so as to include allegations that respondents lacked statutory authority to publish any data relating to an invention not owned by the United States without the consent of the inventor or, in the alternative, that the statute would be unconstitutional if it purported to have such effect

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ess. Petitioner stated that the periodical has "wide international distribution"; we believe that it can be found in scientific and university libraries throughout the world. While petitioner unsuccessfully sought to demonstrate that this publication was respondents' fault, his own papers in that petition furnish confirmation of mootness. For the reasons stated in n. 2, *supra*, however, we have not reargued the issue of mootness in this brief.

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(Pet. Br. App. 12a–14a; R. 87–94). The Court of Appeals denied the motion to amend the complaint, and also denied a motion for a rehearing filed on October 4, 1957 (Resp. Br. App. 63; R. 124).

Upon petition for a writ of certiorari, this Court granted the writ and remanded the cause to the Court of Appeals with instructions to allow the proposed amendments, and to determine the issues raised by petitioner's appeal in the light of the amendment (Resp. Br. App. 65; 355 U.S. 601). On remand, the Court of Appeals adhered to its earlier decision (Pet. Br. App. 14a–16a). It held that it had earlier determined that the Atomic Energy Act authorized "this sort of publication," *i.e.*, the dissemination in these circumstances of such scientific and technical information relating to atomic energy. Relying on the decisions of this Court in *Yearsley* v. *Ross Construction Co.*, 309 U.S. 18, 21; *United States* v. *Causby*, 328 U.S. 256; and *Larson* v. *Domestic and Foreign Corp.*, 337 U.S. 682, 697, n. 18, the Court of Appeals held that this interpretation of the statute did not render it unconstitutional. If the publication constituted the taking of the property right of an inventor, the United States had promised either expressly or by implication to pay just compensation to the owner and had afforded him a remedy for its recovery in the Court of Claims; the availability of this judicial remedy fully satisfied the requirements of the Fifth Amendment which does not command the payment of damages by the United States prior to the taking. Since the amended complaint failed to state a claim upon which relief could be granted, the case was

ordered remanded with instructions to dismiss (Pet. Br. App. 16a). This Court granted certiorari on October 27, 1958 (Resp. Br. App. 68).

3. *The present status of petitioner's patent application and the effect of the restraint upon respondents.*— The district court denied petitioner's preliminary injunction on April 19, 1957, *i.e.*, over 21 months ago. As a result of a series of temporary stay orders and injunctions, three issued by this Court and four by the Court of Appeals, respondents are still, in substance, subject to the prohibition of the original temporary restraining order.. They are barred "from further promulgation and disclosures or from the communication or dissemination of prior disclosures, concerning the improved processes described in petitioner's patent application" (Resp. Br. App. 67).

(*a*) Petitioners original request to the Commission was for a delay of only a few months from March 1957, until his patent was expected to issue (R. 13). The petition for certiorari, filed September 6, 1958, disclosed that all the claims of petitioner's patent application had already been allowed by the United States Patent Office (Pet. 17).[10] A patent, accordingly, will issue shortly, terminating the originally requested period, unless petitioner himself retards issuance by delaying payment of the final filing fee or by requesting a postponement from the Patent Office.[11]

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[10] See also the Petition for Discovery filed on August 25, 1958, pp. 3–4, and Supplement to Petition for Discovery filed on September 12, 1958, p. 2.

[11] Under 35 U.S.C. 151, a patent issues within three months (usually from four to eight weeks) after payment of the final fee which, in turn, is payable not later than six months after the applicant has been notified of the allowance of his claim,

As to petitioner's asserted interest in foreign patents, petitioner stated in the complaint that he contemplated filing for patents in twenty-one named countries "and in other countries in which it may be determined that commercial use of the invention is likely" (R. 6). At that time, April 10, 1957, he was in the process of completing six of such applications (R. 6). More than one year later, in an affidavit filed in the Court of Appeals on April 16, 1958, petitioner averred that he had filed patent applications in twelve countries, was in the process of applying in a thirteenth, and also desired "to file patent application for the subject matter here involved in as many of the 108 patent-issuing countries of the world as is prudently possible and within his means."[12] Petitioner's brief on the merits in this Court, filed on December 11, 1958, does not indicate what progress had been made during the intervening eight months.

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except that the Commissioner of Patents may accept the filing fee up to one year late, for good cause shown. The regulations provide that the applicant must submit a verified statement in support of a delayed payment (37 C.F.R. 1.317) and that the patent will issue in regular course unless the applicant requests suspension for the three-month period (37 C.F.R. 1.314).

35 U.S.C. 41(a)(2) provides that the fee upon issuing a patent amounts to $30.00, and $1.00 for each claim in excess of twenty.

[12] This affidavit is in the Court's Record in No. 339, at pp. 25–26, and has not been printed. Petitioner filed the affidavit in response to the request of the Court of Appeals for this information (see Record in No. 339, p. 20). He submitted to the court below a sealed list of the thirteen countries involved, but refused to disclose them in the affidavit served upon respondents (Record in No. 339, p. 26).

(*b*) Respondents' performance of their statutory duties has been severely restricted by the orders forbidding disclosures during the past 21 months. In order to comply with the temporary restraining order of April 10, 1957, the Commission examined about 1,000 reports and similar documents to determine whether they contained any reference to the claims specified in petitioner's patent application. As a result, some forty declassified documents had to be impounded again in their entirety because possibly they contained some reference to petitioner's patent claim.[13] Similarly, access to heavy water plants which had been opened to inspection by scientists and technicians, as well as other interested persons (*e.g.*, R. 36), had to be denied again because they contained some features which possibly were covered by petitioner's patent claim.

In addition, the restraining order and the injunctions keeping it in effect have had a profound effect upon the participation by the Commission in the discussion and dissemination of information in the entire field of heavy water production. In particular, international activities have been restricted. The orders have greatly limited the participation of the United States in two international conferences called under the Atoms for Peace programs, *viz*, the Amsterdam Conference of April, 1957, and the Second International Scientific Conference on the Peaceful Uses of Atomic Energy held in Geneva,

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[13] In the report referred to at R. 31, less than 25 percent of the pages refer to petitioner's invention. In the remaining documents, the proportion is smaller.

Switzerland, during the first two weeks of September 1958. The Commission has been unable to cooperate fully with the Organisation for European Economic Cooperation, of which the United States is an associate, in O.E.E.C.'s current evaluation of methods of producing heavy water and its plan to construct a plant. Numerous other requests for information and consultation regarding heavy water technology from individuals, governments, private and regional organizations, have been refused during the past 21 months, as a result of this litigation (Pet. Br. App. 17a–19a).

SUMMARY OF ARGUMENT

Petitioner persists in presenting this case as if the issue were the Atomic Energy Commission's authority to publish an unpatented private invention disclosed to it through the filing of a patent application or of a statutory report. But that is not this case at all; and the Commission has never asserted any such power.

The Commission's knowledge of petitioner's improvement was obtained when petitioner, while under contract with the Commission, submitted a report demonstrating how the improvement could be utilized, and acted as a paid consultant to the Commission with respect to the development and construction of the Commission's heavy water plants. Petitioner's improvement was embodied in these plants—along with Commission-owned processes and the works and inventions of other scientists—with petitioner's knowledge, consent, and participation. Respondents seek only to disseminate technical information on the operation of these plants. The narrow questions truly

presented here thus involve the interpretation of the contractual relationship under which the improvement was disclosed to the Commission: whether petitioner effectively reserved the right to prevent the publication of data concerning the Commission's plants; and whether, on general equitable principles, he is entitled to injunctive relief in the particular circumstances of this case.

I

Under petitioner's agreement and dealings with the Commission, it has the right to publish his improvement in the course of its dissemination of information on heavy water technology.

A. Petitioner, according to his own statement, "confided" his improvement to the Commission "for use in the production of heavy water * * * subject to appropriate compensation in due course." Thus, this case presents a situation of an implied license, arising from the course of conduct under the contracts between petitioner and the Commission. *De Forest Radio Tel. & Tel. Co.* v. *United States,* 273 U.S. 236, 241. Petitioner has failed to plead the contract terms, alleging merely that his "rights" were "recognized". He has not only failed to state a cause of action, but, without resort to the terms of the contracts, the conceded facts establish respondents' acquisition of the right to publish manuals and permit access to the Commission's operating plants.

1. Petitioner's argument reduces itself to the narrow point that the license granted was limited to use of his improvement, and that he reserved the right to prevent publication. But the reservations alleged by

him of "rights to an invention" or "proprietary rights" are not sufficient to state a claim on this basis. They indicate merely that petitioner has preserved a claim, which we concede he has, for just compensation if in fact he has a patentable invention which the Commission has utilized. Limitations upon grants of authority to use inventions must be clearly expressed to be effective. The alleged reservation could not remotely have indicated that, in addition to the right to compensation, petitioner could, on demand, require that the Commission's processes, plants, and manuals remain closed to outsiders indefinitely, merely because petitioner's improvement formed part of them.

2. Furthermore, there is no basis for implying any prohibition upon publication. To the contrary, a license to use an invention necessarily carries with it all rights required for full enjoyment. Under the Atomic Energy Act, the use of plant facilities by the Commission necessarily includes the fullest possible declassification and dissemination of technical material concerning the plants. Particularly significant are the Commission's international activities which require dissemination of such data. The declassification and publication here were foreseeable parts of the Commission's use of petitioner's improvement and were necessarily included in the authority conveyed. There is no reason to believe that these vital undertakings were bargained away to satisfy petitioner.

3. In view of the circumstances of this case, the dismissal of the complaint should be affirmed without leave to proceed further. The case has once been remanded to afford petitioner an opportunity to restate

his claim. A further remand, were the temporary restraining order continued, would in effect grant to petitioner what he seeks on the merits—delay—for the very reason that he has failed up to now to show that he is entitled to such delay. A remand unaccompanied by a stay would be futile because the case would become moot. Moreover, the facts of petitioner's dealings with the Commission do not permit of any broader allegation of a reservation of rights than now appears in the complaint.

B. While petitioner's patent application protected his interests in the United States, similar filings in foreign countries were prevented by the existence of the secrecy order. But the secrecy order did not detract from the rights acquired by the Commission under its contracts, which were entered into with knowledge of the secrecy restrictions. Furthermore, the possibility that foreign patent rights would be impaired by secrecy orders was foreseen and intended by Congress, which contemplated that an inventor thus affected would obtain administrative help and, at most, pecuniary relief.

II

Even if petitioner has not granted to the Commission permission to disseminate information concerning its plants, he has failed to state a claim for injunctive relief to prevent such dissemination, in view of the relative equities of the parties, particularly the public interest involved, and the availability of pecuniary compensation.

1. The vital public interest in wide dissemination of information concerning the Commission's plants

is reflected in the scheme of the Atomic Energy Act and in the Commission's extensive programs of technical assistance and interchange of information, particularly with other countries. The grievous impact of the relief sought is shown by the effect of the stay orders *pendente lite,* which have restricted participation in Atoms for Peace conferences, among others.

2. The restraint sought is also unreasonable in scope, since it would prevent public access to large areas of heavy water technology and to processes wholly owned by the Commission, which were "commingled" with petitioner's improvement as the result of his own work. It is also unreasonable in time. Petitioner asserts the right to prevent publication until he files in all "the 108 patent-issuing countries", if he so desires. He also has indicated an intention to prolong the secrecy bar by delaying issuance of his United States patent (Reply to Brief in Opposition in No. 339, pp. 5–6, 10). Any such action "defeats [the] benevolent aim" of the patent laws and bars equitable relief. *Woodbridge* v. *United States,* 263 U.S. 50, 56.

3. Finally, petitioner has an adequate remedy at law for compensation, if owing, on any of three grounds.

First, if petitioner is correct in his allegation that the Commission has gone beyond the operations permitted by his license, he has stated a cause of action for breach of contract. Second, the Commission's use by publication, even if unauthorized, might give rise to a promise—implied in fact—to pay compensation, which is also actionable under the Tucker Act.

Third, the Commission's use of the improvement could constitute a taking of property and this Court has held that the cause of action to recover compensation under the Tucker Act, 28 U.S.C. 1491, App. A, *infra*, p. 60, is a reasonably just and prompt remedy for such taking. Since a right to seek compensation is available, there is no need for injunctive relief.

ARGUMENT

INTRODUCTION

The Atomic Energy Act contemplates that the Atomic Energy Commission will learn of pertinent inventions in two ways:—(1) as a result of Commission contracts, under which inventions are conceived or are sold, licensed, or disclosed to it (Sections 152, 159, 161 (d), (e), (g), 42 U.S.C. (Supp. V) 2182, 2189, 2201 (d), (e), (g)); and (2) as a result of the reporting provisions, which require that an invention or discovery in certain fields must be completely described either in a report filed with the Commission or in a patent application filed with the Commissioner of Patents, which the latter will supply to the Commission (Section 151 (c), (d), 42 U.S.C. (Supp. V) 2181 (c), (d)).[14]

Petitioner persists in presenting this case as if the issue were the Commission's authority to publish an unpatented private invention disclosed only under the second alternative above, the reporting pro-

[14] The similar reporting provisions of the 1946 Atomic Energy Act were in Section 11(a)(3), 60 Stat. 768, 42 U.S.C. (1952 ed.) 1811(a)(3).

visions.[15] Eight pages of intricate Questions Presented on this point do not promote clarity (Pet. Br. 3–10). However, to the extent that petitioner spells out his repeated allegation of a disclosure made "in confidence" (Pet. Br. 5, 8, 10), he refers, in his questions presented, only to a disclosure made "in accordance with law" (Pet. Br. 7), specifically by the filing of a patent application (Pet. Br. 5, 6, 7, 8–9).[16]

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[15] Undoubtedly because of the secrecy surrounding the facts of this case, *amici* also press the same question.

The reporting requirements were intended "to keep the Commission fully and currently aware of all technology in the field of atomic energy" (H. Rept. No. 2181, 83d Cong., 2d Sess., p. 25) and the issue thus asserted is whether, when the Commission becomes so "aware", it may proceed to use an invention, direct compulsory licensing, and disseminate it. Of course, even if such power exists, the inventor may fully protect himself by promptly applying for a patent; therefore, phrased differently, the question raised by petitioner is whether the reporting provisions (read with other sections, n. 34, *infra*) have terminated an inventor's prerogative to keep an invention in this field secret rather than publish by patenting (see Pet. Br. 9).

This issue cannot arise at present because, as stated *infra*, pp. 23–24, the Commission has never sought to exercise any power to publish inventions divulged under the reporting section. Rather, the Commission continues to rely upon contractual arrangements.

[16] In his complaint, petitioner originally alleged that he satisfied the reporting provisions by filing a patent application and, also, by filing "a complete description" of the improvement with the Commission in August 1949 (R. 2–3). Section 151(c) and its predecessor required only one of those acts and we are advised by the Commission that it has no report from petitioner filed under 151(c).

Petitioner now apparently limits his contention to the disclosure made in the patent application (Pet. Br. cited in text, and 33, 38–39). His communication in August 1949, described in the brief only as "the substance of his new process" disclosed "in compliance with the spirit" of the Act (Pet. Br. 14), was apparently not 151(c)'s "complete description". See also p. 9, *supra*.

Similarly, the asserted issue of the Commission's lack of statutory power to publish (Pet. Br. 4–6, 7, 10) assumes, and implies, that no contractual relations are involved.

But that is not this case at all. The Commission's knowledge of petitioner's alleged invention, and the challenged publication, would have occurred in precisely the same way in the absence of any reporting provision in the Atomic Energy Act. The decisive facts, obscured in the complaint but since clearly established, are that petitioner disclosed his improvement while under contract with the Commission; that he was employed as a consultant upon the construction and operation of the Commission's Dana and Savannah River heavy water plants for most of the period from January 1949 to 1953; and that, during this employment, his improvement was embodied in those plants and integrated into the Commission-owned process. See the Statement, *supra*, pp. 4–5.[17] Petitioner's disclosures under contract were entirely apart from the additional communication effected by filing a patent application. Likewise, the technical manuals disseminated here by the Commission were neither petitioner's patent application as such, nor derived from it, but consisted solely of descriptive data drawn by various technicians from the Commission's plants upon which petitioner had

[17] These events have been mutually conceded by the parties and found, in part, by the district court (*supra*, pp. 4–5). Facts conceded by counsel (*Oscanyan* v. *Arms Co.*, 103 U.S. 261, 263–264; *Best* v. *District of Columbia*, 291 U.S. 411, 415) or stipulated by the parties (*e.g.*, *Coffman* v. *Breeze Corporations*, 323 U.S. 316, 319) may be relied upon for dismissal of a complaint.

been employed (R. 18–37). The challenged publication does not remotely represent the assertion by the Commission of a power to publish any private invention reported to it under the Atomic Energy Act.

Accordingly, the case does not properly present the far-reaching questions of abstract administrative authority posed by petitioner and *amici,* but, rather, much narrower issues arising from the particular underlying contractual relationship in this case. The court below, it is true, relied upon the respondents' general authority to disseminate information (Pet. Br. App. 10a, 15a); and, although not articulated, the opinions appear to suggest that the Commission's power to publish extends to inventions obtained, not under contract, but solely by means of the reporting provisions. However, the Commission does not, and has not, asserted such power and would not have come to make the challenged publication except for the prior contractual dealings.[18] The broad issue proffered by petitioner is hypothetical upon the facts here, and "Courts should avoid passing on questions of public law even short of constitutionality that are not immediately pressing." *Eccles* v. *Peoples Bank,* 333 U.S. 426, 432.

The dismissal of the complaint should be affirmed without reaching the questions which would be presented if there had been no prior contractual dealings.

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[18] For that reason we do not believe that this case presents the question whether, if the Commission actually contemplated publication of information derived solely from the reporting procedures, a suit to enjoin such publication would be, as the court below held (Pet. Br. App. 9a–11a), a suit against the United States without its consent.

Petitioner has failed to state a cause for relief because those prior contractual relations impliedly licensed the Commission to publish his improvement. Moreover, on general equitable principles he is not entitled to injunctive relief.[19]

I

BY VIRTUE OF PETITIONER'S CONDUCT IN AUTHORIZING AND ASSISTING IN THE INCORPORATION OF HIS IMPROVEMENT FOR USE IN THE ATOMIC ENERGY COMMISSION'S PLANTS, WHICH USE NECESSARILY INCLUDED THE CHALLENGED PUBLICATION, THE COMMISSION HAS THE RIGHT TO MAKE THE PUBLICATION

A. PETITIONER'S GENERAL COURSE OF CONDUCT AUTHORIZED THE PUBLICATION

Petitioner's complaint discloses (R. 2) that he had contracts with the Commission "covering most of the period from January, 1949 through January, 1953" and that these contracts dealt with "the subject matter disclosed to the A.E.C. by him and embodied in said patent application Ser. No. 118,925 * * *" In his Reply to Respondent's Brief in Opposition in No. 339, p. 10, petitioner alleges that he himself "confided" the improvement to the Commission "for *use in the production of heavy water* for the United States subject to appropriate compensation in due course" (emphasis in original). Although at one

[19] In order to simplify presentation of the facts and legal issues, this brief assumes throughout, without conceding, petitioner's claims that the improvement involved in the patent application was entirely and independently devised by him, and that it constitutes a substantial advance over the prior art. At the appropriate stage of the appropriate proceeding, the Commission intends to controvert both these contentions.

point petitioner assailed respondents for "commingling" his improvement with the Commission-owned process (*ibid.*, pp. 2–3, 6), petitioner has at the same time conceded that he was a party to the "commingling" and has indeed urged that it resulted from his work as a consultant for the Commission. See also *supra*, pp. 4–5.

Thus it appears from petitioner's allegations and concessions that he knew of, consented to, and participated in the action of the Commission in constructing heavy water plants in which his improvement was commingled with Commission-owned processes and the works and inventions of other scientists.

The settled rule is that "any conduct" of an owner of a patent or invention "exhibited to another from which that other may properly infer that the owner consents to his use of the patent * * * upon which the other acts, constitutes a license and a defense to an action for a tort. Whether this constitutes a gratuitous license, or one for a reasonable compensation, must of course, depend upon the circumstances * * *." *De Forest Radio Tel. & Tel. Co.* v. *United States*, 273 U.S. 236, 241; *Lukens Steel Co.* v. *American Locomotive Co.*, 197 F. 2d 939, 941–942 (C.A. 2).[20] We submit that petitioner's course of conduct with respect to his improvement and its utilization by the Commission, in the light of these circumstances and as a matter of general patent law, granted a license to the Commission to use the improvement in

[20] See also *St. Joseph Iron Works* v. *Farmers Mfg. Co.*, 106 F. 2d 294, 296 (C.A. 4); *General Motors Corp.* v. *Dailey*, 93 F. 2d 938, 941 (C.A. 6); *Finley* v. *Asphalt Paving Co.*, 69 F. 2d 498, 503–04 (C.A. 8); 2 Walker, *Patents* (Deller's ed.), Secs. 366, 373–375; 2 Robinson, *Patents* (1890), Secs. 808, 834.

its plants, and incident thereto to publish its operating manuals and such other information as might be necessary to utilize the Commission-built plants for their intended purposes. Petitioner's "conduct" while employed by the Commission is dispositive of this case and requires affirmance of the dismissal of the amended complaint.

Under general patent law, petitioner's alleged reservation of rights preserved to him—in view of his actions—no more than the right to reasonable compensation from the Commission for its use of his improvement. In other words, the Commission had the right to publish its manuals, in the manner here challenged, regardless of whether or not the information therein constituted "Restricted Data," because it had acquired that right from petitioner as an incident of his work for the Commission. This is so because a necessary consequence of the incorporation of petitioner's improvement into the Commission's operating plants was to enable the Commission to utilize the plants—in which petitioner's improvement constituted a minor but integral part—in the same manner in which the Commission utilized any other of its facilities, subject only to petitioner's claim for just compensation. And, of course, normal utilization of Commission facilities requires that the Commission be able, if it sees fit to do so, to open its plants for inspection and to publish and disseminate technical manuals describing the operations at such plants. Before the Commission can be found to have been subject to any additional restrictions with respect to the plants which it constructed, petitioner

must point to some specific restriction which he has imposed upon the Commission and which the Commission has accepted. As we show immediately below, petitioner has not demonstrated that any such restriction was imposed upon the Commission.

B. PETITIONER HAS NOT SUSTAINED THE BURDEN, WHICH RESTS WITH HIM, OF SHOWING A SPECIFIC RESERVATION OF RIGHTS AGAINST PUBLICATION SUFFICIENT TO WARRANT AN INJUNCTION

Since petitioner has conceded that he disclosed his improvement to the Commission for its use, and since he seeks the affirmative and drastic relief of an injunction, the burden clearly rests with him to show that he reserved to himself the power to control the publication by the Commission of operating manuals dealing with Commission-owned plants. Petitioner's argument thus reduces itself to the narrow point that the license granted by him was limited, that it was only for use in the plants, and *"not for publication* and destruction of his proprietary rights therein" (Reply to Respondents' Brief in Opposition in No. 339, p. 10; emphasis in original).

We submit that petitioner's mere general allegation in the complaint that his contracts with the Commission "expressly recognized his rights" is insufficient to sustain this burden. Cf. *Ex Parte Hull,* 312 U.S. 546, 551.

1. *Petitioner's alleged reservation of "rights" preserved only a claim for compensation for use of his improvement*

In his complaint and subsequent statements of the case, petitioner has sought to set forth the limitations ostensibly imposed upon the Commission, and pre-

sumably accepted by it, by alleging that his employment contracts reserved his "rights in the subject matter disclosed to the A.E.C. * * * and embodied in said patent application", or that they reserved his "proprietary rights in his new process, to be made the subject of a U.S. patent application" (R. 2; Pet. Br. 14; Pet. 16). However, applying the principle that a limitation upon such grants must be clearly expressed to be effective (*Aktiebolaget Bofors* v. *United States*, 194 F. 2d 145 (C.A.D.C.); *St. Joseph Iron Works* v. *Farmers Mfg. Co.*, 106 F. 2d 294, 298 (C.A. 4); *Edison Electric Light Co.* v. *Peninsular Light, Power & Heat Co.*, 101 Fed. 831, 836 (C.A. 6); *Thomson-Houston Electric Co.* v. *Illinois Tel. Const. Co.*, 152 Fed. 631, 633 (C.A. 7)), these allegations fail entirely to sustain the cause of action for equitable relief asserted here.

A general reservation of "rights to an invention" or "proprietary rights" could not have remotely constituted notice that, at petitioner's behest, respondents would have to close the Dana and Savannah River plants to outsiders indefinitely, and would have to keep technical manuals under security wraps after security considerations had ceased to apply. There is nothing to indicate any intention that these plants and manuals, most of which involved a process entirely owned by the Commission, were to be excluded from the normal course of Commission business because petitioner's improvement had been added, and that, among all its plants and operations, they alone would be administered under extraordinarily different conditions.

As with the reservation in *De Forest Radio Tel. & Tel. Co.* v. *United States*, 273 U.S. 236, where the com-

pany "waived none of its claims under any patents or patent rights owned by it", the implied effect of the language here is only to assure "reasonable compensation" (272 U.S. at 239, 242).

We concede here, as we did in the court below (R. 47–48), that if petitioner in fact has a patentable improvement which the Commission has utilized he is entitled to just compensation for such use. That petitioner's arrangement with the Commission contemplated no more than such compensation is also indicated by the background policies in the atomic energy field of making suitable payments for inventions, *infra,* n. 34; by the normal reliance upon money damages as the remedy for breach of a patent license, *infra,* p. 48; and by petitioner's own interpretation of his reservation to require only money payment for use of his improvement in the plants, *supra,* p. 25.

2. *The clear implications of petitioner's dealings with the Commission indicate that no restriction on publication was intended*

Not only has petitioner failed to show any clear reservation which prohibited dissemination of the plants' processes and manuals, but the implications of his transactions with the Commission are flatly to the contrary. As noted above, a license to use an invention or patent necessarily carries with it all rights and privileges required for the enjoyment of the grant. *Lukens Steel Co.* v. *American Locomotive Co.,* 197 F. 2d 939, 941 (C.A. 2); *Frederick B. Stevens, Inc.* v. *Steel & Tubes, Inc.,* 114 F. 2d 815, 819–20 (C.A. 6); *Edison Electric Light Co.* v. *Peninsular Light, Power & Heat Co.,* 101 Fed. 831, 836 (C.A. 6); *Steam Stone*

Cutter Co. v. *Shortsleeves,* Fed. Cas. No. 13,334, 16 Blatchf. 381. Cf. *United States* v. *Univis Lens Co.,* 316 U.S. 241, 249.[21] In the cited cases, the courts have held various licenses to have been extended by necessary implication, *e.g.,* to authorize use of additional patents. *A fortiori,* the rule repels petitioner's attempt to circumscribe respondents' "enjoyment" of the process incorporated in the Commission's plants. Any grant of an improvement or invention to the respondents necessarily implies that they may utilize it in the performance of all the functions prescribed by the Atomic Energy Act.

Those functions plainly include the publication challenged here. The respondents are not only authorized to develop and acquire efficient processes for heavy water production and to own and operate facilities to that end (Sections 31, 32, 161 (e), (g), (m), of the Atomic Energy Act, 42 U.S.C. (Supp. V) 2051, 2052, 2201 (e), (g), (m)), but are equally obligated to publish and disseminate information related to such processes and plants, except to the extent restricted by national security. Section 3, 42 U.S.C. (Supp. V) 2013, declares that one controlling purpose of the Act is to provide for "a program for the dissemination of unclassified scientific and technical information and for the * * *

[21] To the same effect are *Cold Metal Process Co.* v. *Republic Steel Corp.*, 233 F. 2d 828, 846 (C.A. 6); *National Rubber Mach. Co.* v. *McNeil Mach. & Eng. Co.* 132 F. 2d 436, 438 (C.A. 6); *St. Joseph Iron Works* v. *Farmers Mfg. Co.*, 106 F. 2d 294, 296, 298 (C.A. 4); *Victory Bottle Capping Mach. Co.* v. *O. & J. Mach. Co.*, 280 Fed. 753 (C.A. 1); *Brush Electric Co.* v. *California Electric Light Co.*, 52 Fed. 945, 960 (C.A. 9).

declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress."[22] Pursuant to Section 141(b), 42 U.S.C. (Supp. V) 2161(b), the Commission is to be guided by the principle that:

> The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific and industrial progress and public understanding and to enlarge the fund of technical information.

In transmitting to Congress the bill which became the 1954 Atomic Energy Act, President Eisenhower emphasized the objectives of such dissemination, point-

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[22] The legislative history shows that this broad language should be given full scope. In the first version of the 1954 Act (H.R. 8862, 83d Cong., 2d Sess.), Section 3(b) was in a form which provided only "a program for the control and dissemination of restricted data so as to encourage scientific progress, subject to appropriate safeguards." A witness representing the Special Committee on Atomic Energy of the Association of the Bar of the City of New York pointed out that such language might conceivably be interpreted as covering disclosures of data only while restricted. Stating their confidence that this was not intended, the New York bar group recommended the addition of an express policy of declassification. Hearings on S. 3323 and H.R. 8862 to Amend the Atomic Energy Act of 1946, before the Joint Committee on Atomic Energy, 83d Cong., 2d Sess., p. 402. In the bill introduced shortly thereafter (H.R. 9757, 83d Cong., 2d Sess.) and as enacted, Section 3(b) incorporated this suggestion.

The plain intent that dissemination of unclassified data is an *a fortiori* policy is significant, in view of petitioner's contention that the Act authorizes the Commission to disseminate private inventions and compensate for them only when restricted data is involved.

ing specifically to broader participation in domestic atomic development and a wider cooperation with our allies.[23] Accordingly, the Act requires that the Commission maintain continuous review of restricted data in order to declassify all material "which can be published without undue risk to the common defense and security." Section 142(a), 42 U.S.C. (Supp. V) 2162(a).[24] The production of heavy water in the Commission's plants is, of course, subject to these pro-

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[23] President Eisenhower stated that the Act was proposed to accomplish the following ends:

> First, widened cooperation with our allies in certain atomic energy matters;
>
> Second, improved procedures for the control and dissemination of atomic energy information; and
>
> Third, encouragement of broadened participation in the development of peacetime uses of atomic energy in the United States.

Message from the President, February 17, 1954, H. Doc. No. 328, 83d Cong., 2d Sess., p. 1.

Section 3 of the Act describes dissemination and also sets forth the objectives to be achieved thereby: "maximum scientific and industrial progress"; "widespread participation in the development and utilization of atomic energy for peaceful purposes"; and "a program of international cooperation to promote the common defense and security and to make available to cooperating nations the benefits of peaceful applications of atomic energy as widely as expanding technology and considerations of the common defense and security will permit."

[24] The objective of widespread publication is emphasized by the provision that "[t]he Commission shall have no power to control or restrict the dissemination of information other than as granted by this or any other law" (Section 146(b), 42 U.S.C. (Supp. V) 2166(b)). Taking this provision out of context and quoting it only in part, petitioner manages to assert that 146(b) means the diametrical opposite, that it restricts respondents' authority to *disseminate* rather than "to control or restrict" dissemination (Pet. Br. 34).

visions and the declassification orders of February 1, 1957 (*supra,* p. 7), with the subsequent disclosure of technical manuals, was undertaken in the normal course of the Commission's operations.

The Dana and Savannah River heavy water plants represent an investment of several hundred million dollars. Processes proved in such facilities are key exhibits in the Commission's contribution to "enlarg[ing] the fund of technical information" (Section 141(b)). These are, in addition, a segment of America's achievements in the current technological race toward atomic development, with its obvious overtones of East-West rivalry, and information concerning them is vital to atomic progress among friendly nations. As of June 30, 1958, the Commission had made 33 research and 15 power agreements with 43 countries and the City of West Berlin and was negotiating a joint program with Euratom, the European Atomic Energy Community.[25] The Commission is also active in the International Atomic Energy Agency, has aided regional atomic planning in Europe, Latin America and elsewhere, and has fostered participation by the United States in a number of international scientific conferences, construction of reactors and other facilities abroad, exchanges of scientists, Atoms for Peace libraries, training programs, exhibits, etc. Twenty-Fourth Semiannual Report of the Atomic Energy

[25] The Act authorizes bilateral agreements for cooperation and other international arrangements (Sections 121–125, 42 U.S.C. 2151–2155) and, in some circumstances, even permits communication of restricted data (Section 144, 42 U.S.C. 2164).

Commission, July 1958, pp. 16–60, 112–116; Pet. Br. App. 17a–19a.

Any person who performs research and development work for the Commission is, therefore, under notice that the Commission is duty-bound to declassify technical material, if possible, and to permit and encourage the widest access to its plants and their technical processes, once unclassified. When, with his knowledge, consent, and participation, petitioner's alleged improvement was embodied in the Dana and Savannah River plants and inseparably integrated with the Commission-owned process, the authority conferred by him for its use must necessarily have contemplated dissemination of descriptive data concerning the plants.[26] These vital undertakings of our

[26] The Atomic Energy Act of 1946, then in effect, contained provisions comparable to those in the current law discussed above, which established the Commission's authority and duty to develop and acquire the heavy water processes, to own and operate the Dana and Savannah River plants and to declassify and disseminate information concerning these facilities. Sections 1(b)(2), (3), 3, 8, 10(a)(2), (3), 11(d), 12(a)(5), (7), 60 Stat. 756, 758, 765, 766, 769, 771, as amended, 65 Stat. 692, 42 U.S.C. (1952 ed.) 1801(b) (2), (3), 1803, 1808, 1810(a) (2), (3), 1811(d), 1812(a)(5), (7). The prior Act recognized the role of international arrangements (Section 8) and, since 1951, permitted communication to cooperating nations even of restricted data in reactor development and certain other fields (Section 10(a)(3), 65 Stat. 692).

The policies of dissemination and free access were thus already clear under the law then existing. See, *e.g.*, Fifth Semiannual Report of the Atomic Energy Commission, January 1949, pp. 83–86, 105–119; Seventh Semiannual Report, January 1950, pp. 33–35, 169–172; Eighth Semiannual Report, July 1950, pp. 178–180, 227-230; Twelfth Semiannual Report, July

Government were never bargained away by respondents to satisfy petitioner. Surely, petitioner's mere general allegation that the Commission "expressly recognized his rights" (R. 2) is insufficient to justify injunctive relief on the theory that the Government did bargain away the right to make full use of its plants in the manner contemplated by the Atomic Energy Act. Petitioner has simply not borne his burden of showing—or even alleging—that the Commission did agree to withhold publication of his improvement.[27]

3. *In view of the circumstances of this case, the dismissal of the complaint should be affirmed without leave to proceed further*

In the light of the protracted nature of this litigation—which has included one remand for purposes of amendment of the complaint and has now continued for almost two years—petitioner should not be granted another opportunity to state his claim for injunctive relief. A remand for this purpose would have most unfortunate consequences. Were the case to be re-

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1952, pp. 44–49; Fourteenth Semiannual Report, July 1953, pp. 19–20, 57–62.

To the extent that broader declassification and publication was envisaged in the 1954 Act, this was the expected consequence of technological advance and, in any event, it could not be inhibited by expectations of private parties based upon the prior law. Operations in a closely regulated field like atomic energy are always subject to changes in the statute and in governmental policies. *Federal Housing Administration* v. *The Darlington, Inc.*, 358 U.S. 84, 91.

[27] Petitioner's burden is a triple one—as the plaintiff in this action, the petitioner in this Court, and an inventor claiming that his general license to the Commission excluded publication rights.

manded accompanied by a continuation of the temporary restraining order, petitioner, who has already had 21 months to pursue his foreign patent applications, would in effect be granted still additional time to do so while the government would continue to be restricted in its important program of dissc ninating data relating to heavy water to allied countries and to interested persons—and without any reason to believe that petitioner will probably prevail in the end, or that he even has a substantial case. A remand unaccompanied by a stay would be futile because the case would become moot. Hence, a decision with respect to a possible remand determines in actual effect most of the issues now before the Court. To continue the stay and remand the case for purposes of further amendment of the complaint would permit petitioner to achieve what he seeks on the merits – further delay—*because* his complaint presently fails to show that he is entitled to such relief. Such a result would not be consonant with either the requirements of equity or sound judicial administration, cf. *United Gas Pipe Line Co.* v. *Memphis Light, Gas and Water Division,* Nos. 23, 25 and 26, this Term, decided December 8, 1958, slip opinion, p. 11; *Public Utilities Commission* v. *United Fuel Gas Co.,* 317 U.S. 456, 462–463.

Moreover, a remand would serve no worthwhile purpose because the facts of the case would not permit any more sweeping allegation by petitioner of any reservation of rights on his part. Any restriction upon the normal use the Commission might make of its plants which embody petitioner's im-

provement would have to be contained in the contracts between the Commission and the petitioner pursuant to which the improvement was disclosed. These contracts are not a part of the record before this Court.[28] However, in view of the imprecise nature of the record in this case,[29] the severity of the restraint under which the government has been placed by this litigation, and the urgent public need for a prompt disposition of the case, this Court might desire to consider the contracts and dispose of the case in the light of their provisions.[30] Accordingly, we have filed with the Clerk of this Court envelopes containing copies of the relevant contracts for the convenience of the Court, should the Court desire to consider them. The contracts contain no classified information and respondents know of no reason why they cannot be made public. The relevant provisions of the contracts are summarized in a letter to the Clerk lodged with the contracts. We believe that the

[28] They might well have been made exhibits to the complaint if, in fact, they supported petitioner's position.

[29] At petitioner's request a portion of the proceedings before the district court was off the record. Indeed, some of the findings of fact made by the district court and not challenged here—*e.g.* that petitioner furnished a report to the Commission dated October 25, 1949 (R. 18)—reflect statements of counsel which were not transcribed.

[30] We submit that matters not a part of the formal record should be considered "in deciding the nature of the judgment" to be entered. *Lawn* v. *United States*, 355 U.S. 339, 366 (opinion of Mr. Justice Harlan concurring in part and dissenting in part); cf. *United States* v. *Shotwell Manufacturing Co.*, 355 U.S. 233. At the least, therefore, the contracts could be considered should petitioner assert the ability to allege, on remand, explicit reservations against publication. See 3 Moore, *Federal Practice* (2d ed.), ¶¶ 15.08, n. 28, 15.10.

terms of the contracts fully and conclusively support the respondents' position, but we refrain in this brief from any further comment with respect to the contracts themselves; and we have confined our argument to the facts disclosed by the formal record in this case, including the admissions and concessions of the parties. See p. 23, *supra,* n. 17.

C. THE ISSUANCE OF A SECRECY ORDER, WHICH INDEPENDENTLY CAUSED IMPAIRMENT OF PETITIONER'S FOREIGN PATENT RIGHTS, DID NOT MODIFY THE COMMISSION'S AUTHORITY TO PUBLISH

The authority which petitioner granted to the Commission, as above construed, did not itself threaten injury to him. Petitioner's filing of a patent application in September 1950 safeguarded his interest in the alleged invention in the United States, notwithstanding the license. It was only because of the independent existence of the secrecy order that no similar action could be taken to protect foreign patent rights until February 1957.[31] Solely due to this order, petitioner was unable to file elsewhere, and the Commission's dissemination of technical data can therefore result in a publication barring foreign patents (R. 3–5). But the secrecy order does not provide any ground for equitable relief.

In the first place, the secrecy order cannot detract from the Commission's rights under petitioner's arrangements with it. Throughout the period of petitioner's contracts with the Commission, the patent

[31] Under Article 4 of the Convention for the Protection of Industrial Property, App. A, *infra*, p. 52, the one year period in which a foreign patent can be obtained, despite a prior publication, is measured from the time the first application for a patent is filed.

laws provided for issuance of secrecy orders covering inventions the disclosure of which might be detrimental to national security—first under the wartime provisions (40 Stat. 394, amended, 54 Stat. 710, 55 Stat. 657, 56 Stat. 370) and, then, under the Invention Secrecy Act of 1951, 66 Stat. 3, 35 U.S.C. 181–188. Petitioner was certainly aware of this system. His first patent application had already been under a secrecy order for more than five years when he resumed his employment for respondents in 1949 (R. 2); and further employment contracts were made after the issuance of the order covering the invention in suit. The absence of any reference to the secrecy order in petitioner's allegations of his contract reservations demonstrates that the Commission's authority to use the improvement, subject to compensation, including—as we have shown—the right to publish the technical manuals of its plants, was not to be affected by restrictions independently imposed by the secrecy order.

Second, this independent effect of the secrecy order was specifically contemplated by Congress. In enacting the Invention Secrecy Act, Congress weighed the interests of inventors against the necessities of a secret military technology and recognized that the impairment of foreign patent rights was a regrettable but unavoidable consequence.

The committee reports specifically pointed out that a secrecy order may prevent an applicant for a United States patent from availing himself of the International Convention for the Protection of Industrial Property. Nevertheless, the bill was favored because of the exigencies of national defense and the reason-

ableness of its compensation and other provisions. It was anticipated that foreign patent rights would be preserved, if possible, through administrative arrangements—*e.g.*, bilateral agreements with NATO countries which would permit filing of secret patent applications abroad. S. Rept. No. 1001, 82d Cong., 1st Sess., p. 4, 2 U.S. Code Cong. Serv. (1952), pp. 1321, 1324; H. Rept. No. 1028, 82d Cong., 1st Sess., p. 7. Other administrative amelioration of inventors' interests in foreign patents was described last year by respondents' general counsel to the Joint Committee on Atomic Energy.[32] And, in this very case, in response to petitioner's request to delay publication, the Commission offered to do so for a period of thirty days, at which time an international conference on atomic energy was to take place. See *supra*, p. 8.

Since the impact upon foreign patent rights of secrecy orders was thus clearly foreseen, there can be no doubt that Congress did not intend to give a patent applicant any more than a claim for pecuniary relief from such orders (under 35 U.S.C. 183, *infra*, n. 34; by contract, etc.), as well as opportunity for administrative assistance, where possible. By the Invention

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[32] Mr. William Mitchell, then the Commission's general counsel, told the Committee that the Commission attempts to permit the filing by contractors of patent applications, in the United States and elsewhere, before publishing information concerning them. However, he continued, if publication of all information were to be substantially delayed out of deference to foreign patent claims, it would seriously curtail the program of disseminating technical knowledge. Hearings under Section 202 on Development, Growth, and State of the Atomic Energy Industry, before the Joint Committee on Atomic Energy, 85th Cong., 1st Sess., Part I, p. 301.

Secrecy Act, Congress certainly did not limit the exercise of powers otherwise vested in respondents or acquired by them in the course of their duties. Section 11 of the secrecy statute, 66 Stat. 6, forestalled any such contention, by providing: "Nothing in this Act shall be construed to alter, amend, revoke, repeal, or otherwise affect the provisions of the Atomic Energy Act of 1946 (60 Stat. 755) as amended." The Commission's right to publish technical manuals of its plants, under its agreements with petitioner, cannot therefore be hindered or diluted because of the secrecy order.

II

APPLYING GENERAL EQUITY PRINCIPLES, PETITIONER HAS FAILED TO STATE A CLAIM FOR INJUNCTIVE RELIEF IN VIEW OF THE BALANCE OF INTERESTS AND THE AVAILABILITY OF MONETARY COMPENSATION

For this Point we assume, contrary to our showing in Point I, that petitioner did not grant to the Commission permission to disseminate technical manuals concerning the operations of the Commission's plants and to open those plants to inspection, and that such publication affecting foreign patent rights was prohibited by his "reservation". Nevertheless, we submit that the judgment below must be affirmed.

It is a basic tenet of equity jurisprudence that the mere invasion of a right does not entitle a litigant to injunctive relief. That remedy does not issue as a matter of course; it is awarded only in the exercise of sound judicial discretion on the basis of equitable principles. An essential consideration determining whether or not injunctive relief should be granted is

the balancing of the relative equities of the parties, a consideration which is of especial importance where, as here, a private interest is confronted with a large public exigency. *Harrisonville* v. *Dickey Clay Co.*, 289 U.S. 334, 338; *Morton Salt Co.* v. *Suppiger Co.*, 314 U.S. 488, 492–493, and the authorities there cited. As this Court has pointed out, "[t]he history of equity jurisdiction is the history of regard for public consequences in employing the extraordinary remedy of the injunction." *Railroad Commission* v. *Pullman Co.*, 312 U.S. 496, 500. A different formulation of the same idea is the ruling that "[c]ourts of equity may, and frequently do, go much further both to give and withhold relief in furtherance of the public interest than they are accustomed to go when only private interests are involved." *Virginian Ry.* v. *System Federation No. 40*, 300 U.S. 515, 552. A further prerequisite to equitable relief is the absence of an adequate remedy at law. *Harrisonville* v. *Dickey Clay Co.*, 289 U.S. 334, 337–338. Measured against these standards, petitioner has failed to state any ground upon which equitable relief should be granted.

1. To protect his interest in a specific improvement, petitioner asks that plants and manuals, into which the improvement has been integrated, be impounded behind a court-imposed bar of secrecy. The public interest in the free interchange and wide dissemination of non-classified technical information regarding atomic energy developments has already been described, *supra*, pp. 31–35. The Atomic Energy Act itself expresses a congressional finding of the public stake involved (*supra*, pp. 31–32) and the reasons for

denying an injunction are compelling. *Harrisonville v. Dickey Clay Co., supra.*

The serious impact upon the Commission's programs is demonstrated by the effect thus far of the series of stay orders and injunctions *pendente lite*. During the past 21 months, the United States has been unable to participate fully in programs of technical assistance and development, crucial aspects of our international policies. Respondents have also been unable to answer numerous queries addressed by foreign and domestic scientists and technicians. In mute testimony to the impact of this case, our representatives and employees have been required to sit silent during significant aspects of Atoms for Peace conferences and, also, during some of the discussion of plans for a regional European plant to produce heavy water, a significant stride in atomic reactor development (Pet. Br. App. 17a–19a). See the Statement, *supra*, pp. 15–16.

This silence has been imposed when, regardless of whether nastiness has been sufficiently established in this record (see notes 2, 8, *supra*), there is no doubt that the scientific and engineering professions generally are fully aware of most of the features of the processes in the Commission's plants and manuals. The basic, Commission-owned, patent has been public knowledge since early 1957. Substantial parts of petitioner's alleged improvement, if not the entire improvement, were published in a West German scientific journal, available in technical libraries throughout the world (n. 8, *supra*). Only the Commission, representing United States research and

development, is forbidden to participate in further exchanges of inquiries and responses on this subject.

2. Furthermore, the broad restraint sought is unreasonable in scope and time. First, it extends to processes wholly-owned by the Commission. Even if petitioner is said to have reserved his right to prevent a publication impairing possible foreign patents on his improvement, it is certainly material that the improvement was integrated into the Commission's process, not as the result of a tort or breach of confidence, but through his own work as a paid consultant for the Commission.[32a]

Second, petitioner has set no definite limit in time to the injunction prayed. Originally, as we have shown, *supra*, pp. 7–9, petitioner complained of the loss of the priority period under the Convention for the Protection of Industrial Property, and requested a delay of a few months until his patent was expected to issue. Since the secrecy order was lifted, on February 1, 1957, he has had more than 23 months to file applications abroad, far more than the protection

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[32a] On January 22, 1959, respondents filed an application with the Chief Justice seeking a construction or modification of the Order of July 3, 1958, *infra*, pp. 67–68, so as to permit respondents to grant limited access to the Dana Heavy Water Plant to contractors of the Army Chemical Corps. Such access is essential to permit the Army Chemical Corps to adapt the Dana plant to the production of an urgently needed classified chemical agent unrelated to heavy water. As indicated in the affidavits filed with this application, the Dana plant has not been used since 1957 and conversion of the plant for this purpose would result, in the opinion of an Army survey team, in a possible saving to the government of approximately $6,000,000, advance by six months the date on which production of the chemical agent may be commenced, and have other beneficial consequences.

obtainable under the international convention. The convention assures only 12 months and it constitutes a finding, concurred in by most of the industrial nations, that that period is adequate for the purpose. Nevertheless, petitioner's theory now is that, since he disclosed his improvement in confidence as a trade secret, he may enjoin its publication as long as he desires—until he files "in as many of the 108 patent-issuing countries of the world as is prudently possible and within his means." *Supra,* p. 14. Petitioner's brief gives no indication when this period would end.

Of course, the issuance of a domestic patent would constitute a publication ending the controversy, as petitioner's counsel stated in March 1957 (R. 13). *Supra,* pp. 7–8. At that time, it was indicated that the issuance was a few months off (R. 13), and, hence, that the prejudice to the public through injunctive relief would be relatively small. It is now about 22 months later, and more than 4 months since petitioner told this Court that his claims had been allowed by the Patent Office. Yet, if petitioner had promptly paid his fee, the patent would have already issued, as normally a patent issues within four to eight weeks after payment of the fee. See *supra,* p. 13, n. 11.

Surely, petitioner would forfeit all right to equitable protection if, as he has indicated (Reply to Brief in Opposition in No. 339, pp. 5–6, 10), he intends, or has acted, deliberately to delay the grant of a patent by waiting the full six months permitted to pay the final fee (35 U.S.C. 151) and by seeking administrative extension of such period and postponement of issuance, under 37 C.F.R. 1.317, 1.314. He who seeks equity must act diligently and must do equity.

Procrastination in the payment of the patent fee, quite apart from keeping this litigation artificially alive, is contrary to the basic philosophy of the patent law.

Speaking for a unanimous Court, Chief Justice Taft condemned dilatory tactics in *Woodbridge* v. *United States,* 263 U.S. 50, 56:

> * * * Any practice by the inventor and applicant for a patent through which he deliberately and without excuse postpones beyond the date of the actual invention, the beginning of the term of his monopoly, and thus puts off the free public enjoyment of the useful invention, is an evasion of the statute and defeats its benevolent aim.

Cf. *Scott Paper Co.* v. *Marcalus,* 326 U.S. 249, 256. In *Woodbridge,* where the inventor delayed issuance to protect foreign patent rights and to await enhancement of value, his "deliberate and unlawful purpose to postpone the term of the patent" caused forfeiture of the patent. 263 U.S. at 59.[33] Certainly, here, any

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[33] The facts in *Woodbridge* are strikingly apt. After the Patent Office had allowed his claims for an improvement in cannon projectiles, in 1852, Woodbridge requested that the patent be held in secret files so that foreign patent rights "may not be affected by the publication of the invention." He requested a delay of one year, but nine and one-half years passed before he finally applied for issuance in December 1861, after the outbreak of the Civil War. 263 U.S. at 52–53, 56. In a later case holding that a long pendency of proceedings before the Patent Office will not cause forfeiture, this Court reaffirmed *Woodbridge*, pointing out that, there, the delay occurred after allowance of claims when the patent could have been "had for the asking". See *Overland Co.* v. *Packard Co.*, 274 U.S. 417, 426–427.

And see in this context *U.S. Gypsum Co.* v. *National Gypsum Co.*, 352 U.S. 457, 465, and the authorities there cited, as to the application of the "unclean hands" doctrine to patent misuse.

similar action would at least preclude the granting of equitable relief.

3. Quite apart from the implications of his work for the Commission and the balance of interests, petitioner is also barred from obtaining equitable relief by the existence of an adequate remedy at law in a claim for pecuniary damages for the publication of his invention (if such it is). Concentrating upon his case for an injunction, petitioner now paradoxically asserts that, despite the wrong done him, respondents have no authority whatsoever to make compensation (Pet. Br. 4, 8, 10). Actually, however, compensation, if owing, is available on any of three grounds.

First, compensation may be sought by way of an action for breach of contract. If petitioner is correct in his contentions, the Commission has broken its promise not to publish, and has exceeded its permitted operations under agreements with him. Petitioner thereby would state a cause of action for a breach of contract by the Commission, entitling him to recover damages. *De Forest Radio Tel. & Tel. Co.* v. *United States,* 273 U.S. 236, 241–242; *Aktiebolaget Bofors* v. *United States,* 194 F. 2d. 145, 148–149 (C.A.D.C.); *Consolidated Middlings Purifier Co.* v. *Wolf,* 28 Fed. 814, 815 (E.D. Pa.). As *Bofors* illustrates, the normal relief contemplated against the United States is a suit under the Tucker Act, 28 U.S.C. 1491, 1346(a)(2).

The second ground upon which compensation may be sought is in an action upon a contract implied in fact. Government use of petitioner's improvement in the Commission's plants, with his consent, gave rise at the least to an implied contract actionable under

the Tucker Act. *United States* v. *Societe Anonyme des Anciens Etablissements,* 224 U.S. 309, 320; *United States* v. *Palmer,* 128 U.S. 262. Even upon petitioner's allegation that he had not authorized publication, the Commission's further utilization of the improvement by dissemination of data descriptive of such improvement in its international programs could be found impliedly qualified by a promise to pay. *United States* v. *Palmer,* 128 U.S. at 269. 2 Walker, *Patents* (Deller's ed.) Sec. 392.[34]

The third ground on which an action at law could be maintained would be on the theory referred to by the court below—*i.e.,* a governmental taking of property. 28 U.S.C. 1491 (App. A, *infra,* p. 60) confers upon the Court of Claims general jurisdiction to adjudicate claims based upon a taking of property by the

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[34] While there is no explicitly applicable provision of the Atomic Energy Act guaranteeing compensation for such use, the Commission has general authority to enter into all sorts of contractual arrangements to acquire and make use of inventions, and to pay for them (*supra*, p. 21). The policy of fair compensation for property interests acquired in the exercise of statutory powers is reflected in numerous provisions. See Section 43, 42 U.S.C. (Supp. V) 2063; Section 52, 42 U.S.C. (Supp. V) 2072; Section 66, 42 U.S.C. (Supp. V) 2096; Section 108, 42 U.S.C. (Supp. V) 2138; Section 151 (a), (b), 42 U.S.C. (Supp. V) 2181 (a) (b); Section 157, 42 U.S.C. (Supp. V) 2187; Sections 171–173, 42 U.S.C. (Supp. V) 2221–2223.

Once a patent is obtained, an inventor can sue for infringement, under 28 U.S.C. 1498. The intent fully to protect inventors is also shown by Section 3 of the Invention Secrecy Act of 1951, 35 U.S.C. 183, which provides compensation "for the damage caused by the order of secrecy and/or for the use of the invention by the Government, resulting from his disclosure". However, as petitioner says (Pet. Br. 38, n. 8), since the issuance of petitioner's patent was not delayed by the secrecy order, he is not within the express terms of 35 U.S.C. 183. See n. 6, *supra.*

United States. *United States* v. *Dow,* 357 U.S. 17, 21; *United States* v. *Causby,* 328 U.S. 256, 267; *Yearsley* v. *Ross Construction Co.,* 309 U.S. 18, 21. The Fifth Amendment does not require petitioner to be paid in advance of the taking, and the availability of an action under 28 U.S.C. 1491 meets the constitutional requirements of a reasonably just and prompt remedy. *Larson* v. *Domestic & Foreign Corp.,* 337 U.S. 682, 697, n. 18. *Yearsley* v. *Ross Construction Co., supra; Hurley* v. *Kincaid,* 285 U.S. 95, 104; cf. *Cities Service Co.* v. *McGrath,* 342 U.S. 330, 334–336.

Taking this right of action along with petitioner's contract claims, it is clear that he will be able to obtain compensation to the extent that he in fact has a patentable improvement which has been used by the Commission. The availability of such compensation disposes of petitioner's assertion that he was unconstitutionally deprived of property and, in addition, under general equitable principles, precludes any right to injunctive relief.[35] *Larson* v. *Domestic & Foreign Corp., supra; Crozier* v. *Krupp,* 224 U.S. 290, 306–307. Especially in view of the vital policies involved here, "The Government, as representative of the community as a whole, cannot be stopped in its tracks by any plaintiff who presents a disputed question of property or contract right." *Larson* v. *Domestic and Foreign Commerce Corp.,* 337 U.S. at 704. Petitioner should be held to his adequate remedy at law.

[35] Since the time of the Twelve Tables, it has been recognized that one may not tear down a house in order to replevy a beam, and that the owner of the latter may obtain only monetary compensation. Poste, *Gaius* (Oxford, 1871), p. 171.

CONCLUSION

For the reasons stated, we submit that petitioner is plainly not entitled to the equitable relief prayed for. The judgment below should be affirmed and the complaint dismissed.

Respectfully submitted.

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JANUARY 1959.

APPENDIX A

Convention and Statutes Involved

1. Article 4 of the Convention for the Protection of Industrial Property as Revised at London, June 2, 1934, 53 Stat. 1768, 1772:

> A. (1) Any person who has duly applied for a patent, the registration of a utility model, industrial design or model, or trade mark in one of the countries of the Union, or his legal representative or assignee, shall enjoy for the purposes of registration in other countries a right of priority during the periods hereinafter stated.
>
> (2) Any filing having the value of a formal national filing by virtue of the internal law of each country of the Union or of international treaties concluded among several countries of the Union shall be recognized as giving rise to a right of priority.
>
> B. Consequently, subsequent filing in one of the other countries of the Union before the expiration of these periods shall not be invalidated through any acts accomplished in the interval, as, for instance, by another filing, by publication of the invention or the working thereof, by the sale of copies of the design or model, or by use of the trade mark, and these facts cannot give rise to any right of third parties or any personal possession. The rights acquired by third parties before the day of the first application on which priority is based shall be reserved by the internal legislation of each country of the Union.
>
> C. (1) The above-mentioned periods of priority shall be 12 months for patents and utility

models and 6 months for industrial designs and models and for trade marks.

(2) These periods shall start from the date of filing of the first application; the day of filing is not counted in this period.

(3) If the last day of the period is a legal holiday, or a day on which the Patent Office is not open to receive applications in the country where protection is claimed, the period shall be extended until the next working day.

* * * * *

2. The Atomic Energy Act of 1954, 68 Stat. 919, as amended, 42 U.S.C. (Supp. V) 2011, *et seq.*, provides in part:

Section 3, 42 U.S.C. (Supp. V) 2013:

PURPOSE.—It is the purpose of this Act to effectuate the policies set forth above by providing for—

a. a program of conducting, assisting, and fostering research and development in order to encourage maximum scientific and industrial progress;

b. a program for the dissemination of unclassified scientific and technical information and for the control, dissemination, and declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress;

c. a program for Government control of the possession, use, and production of atomic energy and special nuclear material so directed as to make the maximum contribution to the common defense and security and the national welfare;

d. a program to encourage widespread participation in the development and utilization of atomic energy for peaceful purposes to the maximum extent consistent with the common defense and security and with the health and safety of the public;

e. a program of international cooperation to promote the common defense and security and

to make available to cooperating nations the benefits of peaceful applications of atomic energy as widely as expanding technology and considerations of the common defense and security will permit; and

f. a program of administration which will be consistent with the foregoing policies and programs, with international arrangements, and with agreements for cooperation, which will enable the Congress to be currently informed so as to take further legislative action as may be appropriate.

Section 11(w), 42 U.S.C. (Supp. V) 2014w:

The term "Restricted Data" means all data concerning (1) design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the Restricted Data category pursuant to section 142.

Section 141, 42 U.S.C. (Supp. V) 2161:

It shall be the policy of the Commission to control the dissemination and declassification of Restricted Data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:

(a) Until effective and enforceable international safeguards against the use of atomic energy for destructive purposes have been established by an international arrangement, there shall be no exchange of Restricted Data with other nations except as authorized by section 144; and

(b) The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific and

industrial progress and public understanding and to enlarge the fund of technical information.

Section 142, 42 U.S.C. (Supp. V) 2162:

(a) The Commission shall from time to time determine the data, within the definition of Restricted Data, which can be published without undue risk to the common defense and security and shall thereupon cause such data to be declassified and removed from the category of Restricted Data.

(b) The Commission shall maintain a continuous review of Restricted Data and of any Classification Guides issued for the guidance of those in the atomic energy program with respect to the areas of Restricted Data which have been declassified in order to determine which information may be declassified and removed from the category of Restricted Data without undue risk to the common defense and security.

* * * * *

Section 144, 42 U.S.C. (Supp. V) 2164:

INTERNATIONAL COOPERATION.—

a. The President may authorize the Commission to cooperate with another nation and to communicate to that nation Restricted Data on—

(1) refining, purification, and subsequent treatment of source material;

(2) reactor development;

(3) production of special nuclear material;

(4) health and safety;

(5) industrial and other applications of atomic energy for peaceful purposes; and

(6) research and development relating to the foregoing: *Provided, however,* That no such cooperation shall involve the communication of Restricted Data relating to the design or fabrication of atomic weapons: *And provided fur-*

ther, That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123, or is undertaken pursuant to an agreement existing on the effective date of this Act.

* * * * *

Section 151, 42 U.S.C. (Supp. V) 2181:

* * * * *

(c) Any person who has made or hereafter makes any invention or discovery useful (1) in the production or utilization of special nuclear material or atomic energy; (2) in the utilization of special nuclear material in an atomic weapon; or (3) in the utilization of atomic energy in an atomic weapon, shall file with the Commission a report containing a complete description thereof unless such invention or discovery is described in an application for a patent filed with the Commissioner of Patents by such person within the time required for the filing of such report. The report covering any such invention or discovery shall be filed on or before whichever of the following is the later: either the ninetieth day after completion of such invention or discovery; or the ninetieth day after such person first discovers or first has reason to believe that such invention or discovery is useful in such production or utilization.

(d) The Commissioner of Patents shall notify the Commission of all applications for patents heretofore or hereafter filed which, in his opinion, disclose inventions or discoveries required to be reported under subsection 151 c., and shall provide the Commission access to all such applications.

Section 157(b)(3), 42 U.S.C. (Supp. V) 2187(b)(3):

Any person making any invention or discovery useful in the production or utilization

of special nuclear material or atomic energy, who is not entitled to compensation or a royalty therefor under this Act and who has complied with the provisions of section 151 c. hereof may make application to the Commission for, and the Commission may grant, an award. The Commission may also, upon the recommendation of the General Advisory Committee, and with the approval of the President, grant an award for any especially meritorious contribution to the development, use, or control of atomic energy.

Section 161, 42 U.S.C. (Supp. V) 2201:

GENERAL PROVISIONS.—In the performance of its functions the Commission is authorized to—

* * * * *

d. appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. * * *

e. acquire such material, property, equipment, and facilities, establish or construct such buildings and facilities, and modify such buildings and facilities from time to time, as it may deem necessary, * * *

* * * * *

g. acquire, purchase, lease, and hold real and personal property, including patents, as agent of and on behalf of the United States, subject to the provisions of section 174, and to sell, lease, grant, and dispose of such real and personal property as provided in this Act;

* * * * *

m. enter into agreements with persons licensed under section 103 or 104 for such periods of time as the Commission may deem necessary or desirable (1) to provide for the processing, fabricating, separating, or refining in facilities owned by the Commission of source, byproduct, or other material or special nuclear

material owned by or made available to such licensees and which is utilized or produced in the conduct of the licensed activity, and (2) to sell, lease, or otherwise make available to such licensees such quantities of source or byproduct material, and other material not defined as special nuclear material pursuant to this Act, as may be necessary for the conduct of the licensed activity: * * *

* * * * *

Section 171, 42 U.S.C. (Supp. V) 2221:

JUST COMPENSATION.—The United States shall make just compensation for any property or interests therein taken or requisitioned pursuant to sections 43, 52 (with respect to the material, for which the United States is required to pay just compensation), 66, and 108. Except in case of real property or any interest therein, the Commission shall determine and pay such just compensation. If the compensation so determined is unsatisfactory to the person entitled thereto, such person shall be paid 75 per centum of the amount so determined, and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States for the district in which such claimant is a resident in the manner provided by section 1346 of Title 28 of the United States Code to recover such further sum as added to said 75 per centum will constitute just compensation.

Section 173, 42 U.S.C. (Supp. V) 2223:

PATENT APPLICATION DISCLOSURES.—In the event that the Commission communicates to any nation any Restricted Data based on any patent application not belonging to the United States, just compensation shall be paid by the United States to the owner of the patent application. The Commission shall determine such compensation. If the compensation so determined

is unsatisfactory to the person entitled thereto, such person shall be paid 75 per centum of the amount so determined, and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States for the district in which such claimant is a resident in a manner provided by section 1346 of Title 28 of the United States Code to recover such further sum as added to such 75 per centum will constitute just compensation.

3. Title 35 of the United States Code (Patents) provides in part:

> SECTION 181. *Secrecy of certain inventions and withholding of patent.*
>
> * * * * *
>
> Whenever the publication or disclosure of an invention by the granting of a patent, in which the Government does not have a property interest, might, in the opinion of the Commissioner, be detrimental to the national security, he shall make the application for patent in which such invention is disclosed available for inspection to the Atomic Energy Commission, the Secretary of Defense, and the chief officer of any other department or agency of the Government designated by the President as a defense agency of the United States.
>
> * * * If, in the opinion of the Atomic Energy Commission, the Secretary of a Defense Department, or the chief officer of another department or agency so designated, the publication or disclosure of the invention by the granting of a patent therefor would be detrimental to the national security, the Atomic Energy Commission, the Secretary of a Defense Department, or such other chief officer shall notify the Commissioner and the Commissioner shall order that the invention be kept secret and shall withhold the grant of a patent for such period as the national interest requires, and notify

the applicant thereof. Upon proper showing by the head of the department or agency who caused the secrecy order to be issued that the examination of the application might jeopardize the national interest, the Commissioner shall thereupon maintain the application in a sealed condition and notify the applicant thereof. The owner of an application which has been placed under a secrecy order shall have a right to appeal from the order to the Secretary of Commerce under rules prescribed by him.

* * * The Commissioner may rescind any order upon notification by the heads of the departments and the chief officers of the agencies who caused the order to be issued that the publication or disclosure of the invention is no longer deemed detrimental to the national security.

SECTION 183. *Right to compensation*

An applicant, his successors, assigns, or legal representatives, whose patent is withheld as herein provided, shall have the right, beginning at the date the applicant is notified that, except for such order, his application is otherwise in condition for allowance, or February 1, 1952, whichever is later, and ending six years after a patent is issued thereon, to apply to the head of any department or agency who caused the order to be issued for compensation for the damage caused by the order of secrecy and/or for the use of the invention by the Government, resulting from his disclosure. The right to compensation for use shall begin on the date of the first use of the invention by the Government.

4. The Tucker Act provides in pertinent part, 28 U.S.C. Section 1491:

The Court of Claims shall have jurisdiction to render judgment upon any claim against the United States founded either upon the Con-

stitution, or any Act of Congress, or any regulation of an executive department, or upon any express or implied contract with the United States, or for liquidated or unliquidated damages in cases not sounding in tort.

* * * * *

APPENDIX B

EXCERPTS FROM THE RECORD

Order of the Court of Appeals, filed April 26, 1957

This case came on for hearing on appellant's motion for preliminary injunction and said motion was argued by counsel, and the Court being assured by counsel for appellees in respect to contemplated activities on their part and the part of their subordinate officials, it is

ORDERED by the Court that the motion for a stay be, and it is hereby, denied, except, however, that appellees be, and they are hereby, directed to refrain during the pendency of this appeal from the promulgation of further disclosures concerning the improved processes involved in petitioner's pending patent application, as described in his complaint, and that appellees will cause subordinate officials under their immediate control to abide the foregoing restriction.

It is FURTHER ORDERED by the Court that this case be set for argument May 28, 1957.

Per Curiam.

Dated: April 26, 1957.

Order of the Court of Appeals, filed October 15, 1957

Upon consideration of appellant's motion to stay the transmission of the opinion and certified copy of the judgment and to extend the stay order entered herein May 28, 1957, and of appellees' motion to extend the time to file their opposition to appellant's motion for leave to amend the complaint and to have the opinion of this Court vacated, it is

ORDERED by the Court that the order of this Court entered in this case April 26, 1957, directing appellees to refrain from the promulgation of further disclosures concerning the improved process involved in the pending patent application be, and it is hereby, continued in effect until further order of this Court.

It is FURTHER ORDERED by the Court that appellees be, and they are hereby, allowed to and including October 18, 1957 to file their oppositions to appellant's motion for leave to amend the complaint and to have the opinion of this Court vacated.

Per Curiam.

Dated: October 15, 1957.

Order of the Court of Appeals, filed October 25, 1957

Upon consideration of appellant's petition for rehearing, it is

ORDERED by the Court that the aforesaid petition be, and it is hereby, denied.

It is FURTHER ORDERED by the Court that the order of this Court entered herein April 26, 1957, directing appellees to refrain from the promulgation of further disclosures concerning improved processes involved in petitioner's pending patent application be, and it is hereby, vacated, and that the order of October 15, 1957, continuing in effect the aforesaid order of April 26, 1957, be, and it is hereby, vacated.

Per Curiam.

Dated: October 25, 1957.

Order of the Court of Appeals, filed October 28, 1957

Upon consideration of appellant's motion to continue in effect a stay order pending application for stay to the Supreme Court of the United States, it is

ORDERED by the Court that the order of this Court entered herein April 26, 1957, be, and it is hereby, reinstated and that the effectiveness of said order be, and it is hereby, continued in effect until 4:00 P.M., Wednesday, October 30, 1957, at which time said order will become invalid.

Per Curiam.

Dated: October 28, 1957

Circuit Judge Burger did not participate in the foregoing order.

Order of Chief Justice Warren, dated November 4, 1957

Upon consideration of the application of counsel for the petitioner and of the opposition of the Solicitor General thereto,

IT IS HEREBY ORDERED that Lewis L. Strauss, Harold S. Vance, Dr. Willard Libby, and Thomas Murray, and each of them, their officers, agents, servants, and employees, and all persons in active concert and participation with them, and their successors in office be, and the same are hereby, enjoined from the further promulgation or disclosures or from the communication or dissemination of prior disclosures, concerning the improved processes involved in petitioner's patent application as described in his complaint filed in the United States District Court for the District of Columbia.

This order is conditioned upon the filing of the petition for certiorari on or before December 4, 1957. Should such petition be filed on or before that date, this stay is to continue pending action on said petition. In the event petition for certiorari is granted,

the stay is to continue pending issuance of the judgment of this Court.

[s] EARL WARREN,
Chief Justice of the United States.

Dated this 4th day of November, 1957.

Order of the Supreme Court granting certiorari and remanding with instructions, in No. 641, October Term, 1957, dated March 3, 1958

Per curiam: The petition for certiorari is granted. The judgment of the Court of Appeals, and the orders of the Court of Appeals denying petitioner's motion for leave to amend the complaint and petition for rehearing, are vacated. The case is remanded to the Court of Appeals with instructions (1) to allow petitioner's proposed amendments to the complaint and (2) to determine, in light of the amended complaint, the issues raised by petitioner's appeal.

Order of Chief Justice Warren, dated March 31, 1958

Upon consideration of the motion of counsel for the petitioner,

IT IS ORDERED that the stay order of November 4, 1957, be, and the stay order is hereby, continued to permit the United States Court of Appeals for the District of Columbia Circuit to consider and pass upon a motion seeking similar relief presented to that court on March 21, 1958.

IT IS FURTHER ORDERED that the Clerk of this Court return to the Clerk of the United States Court of Appeals for the District of Columbia Circuit the record impounded by order of December 5, 1957.

/s/ EARL WARREN,
Chief Justice of the United States.

Dated this 31st day of March, 1958.

Order to show cause of the Court of Appeals, filed June 10, 1958

It is ORDERED by the court that appellant be, and he is hereby, allowed to show cause on or before June 11, 1958, why the motion for a preliminary injunction filed herein March 21, 1958, should not be denied in view of the opinion and judgment of this court entered June 9, 1958. Any answer to this order filed by appellant shall be personally served upon counsel for appellees. Appellees will be allowed to and including June 13, 1958, to file their reply to any answer appellant may file to this order.

Per Curiam.

Dated: June 10, 1958.

Order of the Court of Appeals, filed June 24, 1958

Upon consideration of appellant's motion filed March 21, 1958, for a preliminary injunction, to impound the record and for prompt hearing, of appellees' opposition, of appellant's reply, of the order of this court entered June 10, 1958, directing appellant to show cause why the motion for preliminary injunction should not be denied, of appellant's answer wherein appellant suggests that the court should vacate its opinion and judgment of June 9, 1958, and of appellees' opposition to said answer, it is

ORDERED by the court that appellant's motion for a preliminary injunction and for an order directing the Clerk to impound the record in this case, be, and it is hereby, denied. Appellant having indicated that he intends to apply to the Supreme Court of the United States for a writ of certiorari, it is FURTHER ORDERED by the court that appellees, their officers,

agents, servants, and employees, and all persons in active concert and participation with them, and their successors in office, be, and they are hereby, enjoined from further promulgation or disclosures or from the communication or dissemination of prior disclosures concerning the process involved in appellant's patent application described in his complaint, to and including July 31, 1958, in order to enable appellant to apply to the Supreme Court of the United States for a writ of certiorari and a further stay in that court; and that the Clerk be, and he is hereby, directed to continue the impounding of the record in this case to and including July 31, 1958.

It is FURTHER ORDERED by the court that appellant's suggestion that this court vacate its opinion and judgment of June 9, 1958, be, and it is hereby, denied.

Per Curiam.

Dated: June 24, 1958.

Order of Chief Justice Warren, dated July 3, 1958

Upon consideration of the application of counsel for the petitioner and of the opposition of the Solicitor General thereto,

IT IS HEREBY ORDERED that Lewis L. Strauss, Harold S. Vance, Dr. Willard Libby, and Thomas Murray, and each of them, their officers, agents, servants, and employees, and all persons in active concert and participation with them, and their successors in office be, and the same are hereby, enjoined from the further promulgation or disclosures or from the communication or dissemination of prior disclosures, concerning the improved processes involved in petitioner's patent application as described in his complaint filed in the United States District Court for the District of Columbia.

This order is conditioned upon the timely filing of a petition for certiorari. Should such petition be timely filed, this stay is to continue pending action on said petition. In the event petition for certiorari is granted, the stay is to continue pending issuance of the judgment of this Court.

/s/ EARL WARREN,
Chief Justice of the United States.

Dated this 3d day of July, 1958.

Order of the Supreme Court granting certiorari, dated October 27, 1958

The motion for discovery in this case is denied. The motion for leave to use record in No. 641, October Term, 1957, and the motion to impound the record are granted. The petition for writ of certiorari in this case is also granted.

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No. 339

IN THE

Supreme Court of the United States

OCTOBER TERM, 1958

JEROME S. SPEVACK, *Petitioner,*

v.

LEWIS L. STRAUSS, ET AL., *Respondents.*

On Writ of Certiorari to the United States Court of Appeals for the District of Columbia Circuit

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PETITIONER'S REPLY TO BRIEF FOR RESPONDENTS

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PETITIONER'S REPLY TO BRIEF FOR RESPONDENTS

SUMMARY OF ARGUMENT IN REPLY

The Respondents' Brief attempts to inject a brand new issue of "implied license" (to publish) or "consent" (to publish) into this case. This issue has never previously been raised in this case, is not within the scope of the "Questions Presented" and does not fall within the category of "plain error" which this Court occasionally considers. It is based upon documents which are not part of the record before this Court (which incidentally in any event do not sustain respondents' contention). This attempt is in violation of the Rules of this Court, as well as its decisions, and should be disregarded in toto. (Point I).

The foregoing attempt is a direct result of a realization on the part of the Respondents (which they now admit) that they and the Court of Appeals were in error in claiming and finding a "statutory authority" to publish (Point II), and that the District Court was in error in finding that the case was "moot" (Point III). This amounts in effect to a "confession of error", and leaves petitioner's contentions practically uncontradicted.

In Point IV, Petitioner sets forth answers to the various futile arguments in respondents' brief as though they were marginal notes on said brief.

ARGUMENT

I. RESPONDENTS' ATTEMPT TO INJECT A "NEW ISSUE" INTO THE CASE AT THIS STAGE IS IMPROPER AND SHOULD BE DISREGARDED—AND IN ANY EVENT CONTRADICTS AND IS REFUTED BY THE RECORD

The Respondents having conceded[1] that they have no statutory authority to publish the Petitioner's invention without his consent, now attempt to find some way, *dehors the record,* to "imply" such "consent".

In other words, the Brief for Respondents admits at pages 16 and 24 that they are without the statutory authority urged and erroneously found below, and now attempts on *certiorari,* to assert *a new affirmative defense.* This attempt must fail because:

(A) Respondents' new contention is not properly before this Court and is in violation of the Rules and Decisions of this Court.

(B) Respondents' new contention is refuted by the record.

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[1] See Point II, *infra.*

(C) Respondents' new contention is untimely.

(D) Respondents' new contention asks this Court to assume the functions of a Trial Court.

(E) Respondents' new contention asks this Court to disregard the Federal Rules of Civil Procedure.

(A) Respondents' New Contention Is Not Properly Before This Court and Is in Violation of the Rules and Decisions of This Court

While confident of the utter lack of substance of Respondents' new contention of "consent" or "license", we direct attention at the outset to the fact that **it and the documents upon which it is based are not properly before this Court; and should be disregarded** in this proceeding.

Rule 40.1(d)(2) of this Court prescribes that the Petitioner's Brief "may not raise additional questions or change the substance of the questions already presented [in the Petition for Certiorari] . . ." It further specifies that "Questions not presented according to this paragraph will be disregarded save as the Court, at its option, may notice a plain error not presented."

Rule 40.3. prescribes "The brief filed by . . . Respondent shall conform to the foregoing requirements . . ."

Clearly these rules are intended to prevent either party from attempting to inject into a case on review any question not presented to the Courts below, and not presented in the Petition granted by this Court.

Rule 23(1)(c) states that the Court limits the petitioner to the points raised in his petition. *E.g., General Talking Pictures Corp.* v. *Western Electric Co.,* 304

U. S. 175, 177-178; *National Licorice Co.* v. *National Labor Relations Board,* 309 U. S. 350, 357 n. Rule 40.3 similarly limits the respondents. In this respect see also *Myron Wiener,* v. *United States,* No. 52, October Term, 1957, decided June 30, 1958, 26 L. W. 4522, footnote which is peculiarly applicable to this question which states:

> "An earlier *quo warranto* proceeding initiated by petitioner was dismissed; an appeal from this judgment was dismissed as moot by stipulation of the parties. The Government's contention that that judgment estops petitioner from relitigating certain issues in the present proceeding **is not properly here. It was not raised in the Government's Brief in opposition to the Petition for Certiorari** (emphasis supplied) although from the Government's point of view it would clearly constitute a "ground why the cause should not be reviewed by this court." Rule 24(1) of the Revised Rules of the Supreme Court of the United States. In thus disposing of the matter, we do not mean to imply any support on the merits of the Government's claim."

The points raised of course, must properly arise in the record (which is not the case here). *Tyrrell* v. *District of Columbia,* 243 U. S. 1. Of course the Court has the power, under Rule 40(1)(d)(2) which is only occasionally exercised, to notice a plain error not assigned, but this case certainly does not fall in that category.

In the case of *Irvine* v. *California,* 347 U. S. 128, 129, an opinion in which three other Justices joined, Mr. Justice Jackson said:

> "We granted certiorari on a petition which tendered four questions. However, petitioner's counsel has now presented two additional questions.

> . . . Neither of these was mentioned in the petition. **We disapprove the practice of smuggling additional questions into a case after we grant certiorari. The issues here are fixed by the petition** unless we limit the grant, as frequently we do to avoid settled, frivolous or state law questions. **We do not take up the questions numbered 3 and 6 of Petitioner's Brief because they are improperly presented.** (Emphasis supplied).

See also *Mazer* v. *Stein,* 347 U. S. 201, 206, n. 5, where the Court said:

> "We do not reach for constitutional questions not raised by the parties. (citing cases) The fact that the issue was mentioned in argument does not bring the question properly before us. *Hebring* v. *Lee,* 280 U. S. 111, 117."

In addition see also *Radio Officers' Union* v. *National Labor Relations Board,* 347 U. S. 17, 37, n. 35.

It is very clear therefore, that upon the basis of the foregoing Court rules and cases, the Respondents' Brief seeks to raise an additional question not presented to the Courts below or in the Petition, and that such additional question does not relate to any "plain error". Nothing but confusion and chaos can result from condoning such practice. In this case, Petitioner's brief on the merits correctly and properly does not touch on such alleged issue because it was never previously presented either in the Courts below or in the Petition or in the Brief in Opposition. The improper introduction of this alleged new issue has of course required answer hereinafter to protect the interests of the Petitioner; however the fact that we have shown the lack of merit in the alleged new issue does not change the fact that it, and the contracts forwarded to the Clerk, which are not

part of the record, are not properly before this Court and should be completely disregarded.

(B) Respondents' New Contention Is Refuted by the Record

The record shows that the Petitioner has never consented to the threatened publication of his invention (Amended Complaint, para. 18 Pet. Br. 12a, and prayer 2, R. 8, J. A. 8). It shows that even before the District Court, the Petitioner referred to the contracts an incomplete set of which is now sought to be introduced by Respondents [2] (which Petitioner could not then produce because important ones thereof were "classified" in his hands, albeit improperly, as "Restricted Data") and pointed out that in these contracts, and in the *res gestae* leading thereto, he had reserved all of his rights in his invention, *i.e.* his trade secret. (R. 43-45; J. A. 43-45). The District Court record further shows that counsel for Respondents at that time were familiar with the contracts and the reservations therein, and had then agreed on behalf of Respondents that Petitioner's contracts were drawn with the understanding that he reserved "any rights" to his invention as a condition of working for the Government (R. 47; J. A. 47).

Furthermore, Petitioner's affidavit filed with the Court of Appeals (R. 72-76) in Para. 5 averred under oath that well in advance of and as a condition prece-

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[2] Even with the material mailed to the Clerk on Jan. 22, 1959, and the two additional contracts subsequently lodged with the Clerk by the Respondents on Feb. 3, 1959 (one of which was incomplete and had had deleted from it language showing the broad applicability of Petitioner's invention to materials other than heavy water), the file is still incomplete both as to certain other contract documents and as to correspondence leading to the award contracts which would have to be considered if any attempt were to be made to construe the contracts in an effort to find implications not expressed therein.

dent to any contract with the Commission to prepare a report disclosing the improved process, *"I insisted on reserving all of my rights in my discovery"*, and attached his letter of July 2, 1948 to Mr. Burns of the Atomic Energy Commission so evidencing. This letter (printed as Supplemental Appendix I, p. 24a, herein) is only a part of the *res gestae* of the contracts, part of which was oral. This affidavit and letter, with the averments of the Amended Petition, para. 18 and prayer 2 (R. 8; Pet. Br. 12a), constitute the only matters of record as to the contractual relationships between the parties.

Thus, the unrefuted matter in "the present record" shows that the Petitioner had reserved all of his invention rights (which of course include his right of secrecy and first publication) and indeed Respondents' Brief in Opposition, page 3, and their Brief for Respondents, Page 5, both concede this to be the case, *viz.* (emphasis supplied):

Brief in opposition, page 3:

> **"In this capacity he prepared and submitted a report analyzing the dual temperature process for the production of heavy water including his alleged improvements. Petitioner reserved, however, any invention rights in his alleged new process."** (Emphasis supplied).

Respondent's Brief, p. 5:

> **"It is agreed that in the course of his employment, Petitioner reserved any invention rights which he may have in the improvement."** (Resp. Br. 5).

It is accordingly established: (a) by the record sent up for review that Petitioner did not authorize pub-

lication; (b) that the burden of alleging and proving such authorization as an affirmative defense was on Respondents, and has not been sustained by Respondents; and (c) that all the arguments of pages 25-39 of Respondents' Brief are therefore mere wishful conclusions based on assumptions and not on facts established by the record.[3] Thus, Respondents' contentions, in fact, urge this Court to rest a conclusion of law on an assumption of fact, a matter which this Court has always condemned. *Manning* v. *John Hancock Mut. L. I. Co.*, 100 U. S. 693, citing *Ross* v. *United States*, 92 U. S. 281, 284.

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[3] In common with their other briefs in this case, the Brief for the Respondents deals loosely with the facts of the case and contains numerous errors and false assumptions and statements, e.g.: *Page 3, last line,* the first application was filed in 1943, not in 1945 (see patent No. 2,787,526); *Page 4, middle,* and *page 9, first complete paragraph,* distort the facts to support false inferences,—under the 1949 arrangement, Petitioner was not employed as a "consultant" but as an independent contractor, the District Court did not find otherwise, and Petitioner does not admit otherwise (see Pet. p. 14, references there made to Complaint, and Finding 3, R. 18, for true facts); *Page 7,* Footnote 4 is erroneous, but this matter has no relevancy here; *Page 7,* there is no evidence of any change of mind (see Pet. Reply to Br. for Resp. in Opp. page 3, pt. 4); *Page 8,* end of point 1, is not supported by the record, and irrelevant (see Pet. Reply to Br. for Resp. in Opp. page 3, pt. 4); *Page 13,* para. 3(a) distorts the facts by misapposition—the original request was on Feb. 1, 1957, the February 19 and March 13, 1957 letters were further requests (see Pet. p. 15, last para. and references to Complaint therein for true facts); *Page 10,* footnote 9, makes false assertions of availability and, if believed abroad, could seriously hinder the prosecution of certain of Petitioner's foreign patent applications, and could put Petitioner to considerable expense and trouble to disprove them. The foregoing are typical of numerous other errors in Respondents brief which will be evident from the record and from the careful "Statement" in Petitioner's brief.

It is accordingly obvious that Respondents' attempt to imply consent is refuted by the record, and hence is without merit.[4]

(C) Respondents' New Contention Is Untimely and Improper

At the outset of part (B) just above we have pointed out that the contracts which were in the control of Respondents in the District Court, were mentioned there, but that Petitioner could not produce them because some of them were documents classified by Respondents as "Restricted Data" *albeit* improperly.

The record shows that Respondents, who could have done so, did not produce any of the contracts between the parties in the Courts below; it of course being then as well within their power to declassify and produce them as it is at this time; that Respondents did not contend for an "implied license" in the Courts below, and that the Courts below made no finding of such.

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[4] Of course the Respondents' contention that the right to "use" includes the right to publish, is fallacious. The statutes providing for compensation for "use" of an invention by the Government (28 U. S. C. 1948 and 35 U. S. C. 183) authorize an eminent domain taking of a license to use or manufacture *the invention* by or for the Government, but they do not contemplate an eminent domain taking of a right to publish an invention guaranteed by other laws to be kept secret. Further, that "use" does not "require publication" is evidenced by the fact that the invention concededly was "used" in the Dana and Savannah River plants from 1950 to the present time without any need for publication of the invention as an incident to such use. Also, both the Respondent's Application to Construe or Modify, and the action of the Chief Justice thereon entered Feb. 5, 1959, recognize that materials necessary for "use", or even for adaptation, of facilities, need not be "published", and can be communicated in confidence when communication is necessary to "use" of an invention. Respondents desire to "publish" thus obviously is a matter entirely distinct and separate from any "right to use the invention under appropriate provision for compensation".

It is therefore very clear that Respondents present endeavor to belatedly introduce a contention of "implied license" is not a case of newly discovered evidence, but a case in which the Respondents' New Counsel at this late date are attempting to invent a new theory of defense, and belatedly to produce a part of the documents which Respondents could have produced earlier, and to ingraft strained and distorted interpretations thereon, not intended by the parties, in an effort to support such new theory. Such practice is obviously improper and should not be condoned by this Court.

(D) Respondents' New Contention Asks This Court to Assume the Functions of a Trial Court

If Respondents had declassified the contracts and submitted *all* of them to the District Court, and *if* that Court had then considered the correspondence and other relevant evidence, including oral testimony, on direct and cross-examination, forming the *res gestae* of the contracts, and showing the interpretations put on them by the parties when executed and during their performance, then it would have been the function of the Trial Court to decide, not whether by the wildest stretch of the imagination one might make the new contentions now presented by Respondents, but whether, on a preponderance of the evidence, such contentions could be considered as within the subject matter dealt with and contemplated by the contracts.

There is no propriety in the effort of Respondents to have this Court perform functions of a District Court, even aside from the fact that such action is sought on the basis of incomplete and insufficient evidence.

(E) Respondents' New Contention Asks This Court to Disregard the Federal Rules of Civil Procedure

In effect the Respondents brief takes a position they might have taken before the District Court, but did not, namely: "We do not have authority to publish the Petitioner's invention without his consent, but we contend that we obtained his consent, not expressly, but by an implied license, and that for this reason we should not be enjoined from making the publication." If this contention had been made before the District Court, that Court could not properly have ruled on such matter, which would be completely dispositive of the case, without a "hearing" and the proper submission of evidence under the safeguard of cross-examination. Otherwise the ruling of the District Court would have been improper as failing to comply with the requirement of Rule 65(a) of the Federal Rules of Civil Procedure (*cf.* Pet. Br. 40-41).

Here Respondents seek to have this Court make a ruling that the contracts imply something other than what they say, based on a consideration of only a part of the evidence, without a hearing, with no knowledge of the *res gestae,* or of the interpretations mutually placed on the contracts by the parties, and without the safeguard of cross-examination. It thus seems evident that what the Respondents seek is a disregard of the Federal Rules of Civil Procedure and this would be wholly improper even before a Trial Court, and that for this reason also Respondents' arguments are out of order and should be given no weight.

II. RESPONDENTS NOW CONCEDE THAT THEY DO NOT HAVE STATUTORY AUTHORITY TO PUBLISH A PRIVATELY OWNED INVENTION DISCLOSED TO THEM IN CONFIDENCE WITHOUT THE CONSENT OF THE PRIVATE OWNER THEREOF, WHEREFORE THE CONTRARY RULING OF THE COURT BELOW SHOULD BE VACATED

Respondents' Brief in effect concedes the untenability of their former position, always previously urged by them, that they had "statutory authority" to publish information communicated to them in confidence without the consent of the owner thereof. The court below so held, and respondents so understood the holding.[5] But now the respondents virtually confess error in this holding, and agree that they do not have the authority to publish without the consent of the petitioner.

The record presented here shows very clearly that *no such "consent to publish" was ever sought by Respondents from Petitioner, or granted to Respondents by Petitioner.* Thus: the complaint alleged absence of Petitioner's consent (R. 8, J. A. 8); as did paragraph 18 of the amended complaint (Pet. Br., p. 12a). The unrebutted allegations must be regarded as true in determining whether or not a complaint "states a cause of action on which relief can be granted."

Furthermore, respondents' position before the District Court and the Court of Appeals was that they *did not need* the consent of Petitioner to publish, because they were "authorized by statute" to do so, and such was the ruling of the Court below. Respondents never asserted below any consent, either express or implied, and the rulings below are devoid of any reference to consent.

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[5] "Whether or not the process was owned by the United States" (Br. for Resp. in Opp. p. 10).

Indeed, even Respondents' prior briefs before this Court[6] show no reliance on any consent allegedly obtained from Petitioner, although they do show a post-certiorari realization of the non-existence of the previously urged "statutory authority", coupled with unsuccessful attempts to save the situation (from Respondents' viewpoint) by contentions of *de minimus*, "commingling", and other plaintive but irrelevant arguments.[7]

It is thus clear that actually the Respondents now concede that they do not have statutory authority to publish Petitioner's confidenially communicated information without his consent, and confess that the Court below erred in deciding that they did have such authority on a record containing Petitioner's unrebutted allegation under oath negativing any consent to the threatened publication.

It accordingly seems agreed that the rulings of the Court below, submitted for review by the first four questions presented (Pet. 5-12) were in error, and should be positively set aside.

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[6] See Argument 3(a) "Brief for Respondents in Opposition", (Oct. Term, 1957, No. 641, p. 10), which states in part: "In any event, the statute conferred authority upon Respondents to release information of the category involved in this case . . .". See also "Brief for the Respondents in Opposition", in the instant case, p. 21 which states: ". . . respondents are clearly authorized to publish invention rights not owned by the United States . . . [because commingled by respondents with matters owned by the United States.]"

[7] The latest of these "arguments of desperation", made in Respondents' Brief, an attempt to invent an implication of consent contrary to all the facts and the record, is disposed of in part I hereof. The other arguments, common to Respondent's Brief in Opposition, are shown to be without merit in Part IV hereof and in the Petitioner's Reply to Brief for Respondents in Opposition, and hence need not be repeated here.

III. RESPONDENTS NOW CONCEDE THAT THIS CASE IS NOT MOOT, WHEREFORE THE CONTRARY RULING OF THE DISTRICT COURT SHOULD BE VACATED

Respondents now not only concede, but also deem the rulings of this Court in No. 641, October Term 1957 to hold, that this case is not moot. In Footnote 2 (Resp. Br., p. 2-3) Respondents state:

> "... it now appears to us that, in remanding for amendment of the complaint in No. 641, this Court rejected a finding of mootness on the present record."

It accordingly seems agreed that the ruling of mootness by the District Court, not reached by the Court below, and preserved by the 5th and 6th questions presented (Pet. 12, 13), should be positively set aside for the reasons set forth in Petitioner's Brief.

IV. OTHER CONTENTIONS IN RESPONDENTS' BRIEF, SOME OF WHICH ALSO ARE NOT PROPERLY BEFORE THIS COURT, DO NOT SHOW ANY MERITORIOUS REASON WHY THE RULING OF THE COURTS BELOW SHOULD NOT BE VACATED AND WHY THE TEMPORARY INJUNCTION SHOULD NOT ISSUE

In this section, for convenience our comments are presented as though they were marginal notes on Respondents Brief; paragraph numbers are merely for purposes of reference.

1. *Re pages 25-28.* In an effort to support their contentions that Petitioner's conduct authorized the publication in question, Respondents quote from Petitioner's Reply to the Brief for Respondents in Opposition, out of context, since their quotation omits the balance of the sentence, which reads: "not for publication and destruction of his proprietary rights there-

in." Carrying their contentions in this regard to their ultimate conclusion would mean that Respondent at anytime, at their pleasure, and regardless of Petitioner's reserved rights, and without bargaining for the right to publish or for his foreign patent rights, could have published with an international scope, and possibly prevent petitioner from obtaining a single foreign patent, any one of which might be invaluable. The folly of such a contention is ridiculous.

Their contentions that he also acquiesced in their allowing inspection of the plants and manuals, because he knew that his data was included herein is equally foolish. He had no reason to know they would propose to violate his right of secrecy, nor that there would be any reason to exhibit the manuals except to parties in privity with them in confidence or that his data would be included in manuals proposed to be published.

The truth of the matter is, the Respondents gave no regard to Petitioner's rights, assumed that they would not be hampered in anything they wanted to do, and that there was no one who could stop them in doing what they desired to do.

Throughout their brief, such as on p. 27 and p. 29, Respondents complain and emphasize the difficulty that they have been put to as a result of the fact that they incorporated Petitioner's process into manuals they now wish to publish. But they placed themselves in this predicament or dilemma. They could have legally negotiated and acquired the rights of the Petitioner which they now claim but which they never did acquire. Furthermore, the effects of Petitioner's conduct, if any, are matters for a trial court, but have yet to be presented to such a Court.

2. *Re p. 28.* Respondents, after very quickly and with great facility having invented a "license" then contend that Petitioner has not sustained his burden of showing a specific reservation. Apparently they are speaking of the "burden of proof". Among other flaws in their contention, they have attempted to place the burden of proving an affirmative defense of license upon the wrong party. The burden is theirs—before a trial court. F. R. C. P. 8(c) reads in part as follows:

> "(c) Affirmative Defenses. In pleading to a preceding pleading, a party shall set forth affirmatively * * * *license* (emphasis supplied) * * * and other matter constituting an avoidance or affirmative defense."

It is axiomatic that the burden of proving an affirmative defense rests upon the one asserting it—in this case the respondents. See 1 Jones on Evidence, Fifth Edition, 1958, 375 where it is stated: (under the heading of Burden of Proof, Party Upon Whom It Rests—Defendant—Affirmative Defenses).

> "To the general rule that, in the absence of any evidence whatsoever on either side, the plaintiff must necessarily fail in his action an exception exists where the defendant, admitting the allegations of the plaintiff's cause of action, sets up an independent defense. In this case the defendant takes the initiative and becomes the actor—that which he affirms he must prove or his defense fails * * *"

In this connection see also Point I(B) *ante,* as to the sufficiency of the allegations of lack of consent in the complaint, which must be taken as established at this stage of the case.

3. *p. 28-30.* Respondents argue that Petitioner has not sufficiently reserved his rights. For purposes of determining whether the complaint states a cause of action, the allegations that petitioner reserved his rights, *i.e.,* had not consented to publication, must be accepted as true. As heretofore pointed out, (See p. 7, point I(B) *ante*) respondents concede in their brief in opposition to the Petition, p. 3 and on p. 5 of Respondents' Brief that Petitioner reserved "any invention rights" he had.

The argument voiced would only be applicable had petitioner parted with *all* of his invention rights except those reserved, and failed to specifically reserve the right of publication.

But even if the contracts, which are not in the record before the Court, are considered, they do not show the "grant" of a power to publish to respondents. There is no "grant" of anything. The first three contracts ((AT (30-1) 428), ((AT (30-1)-736)), and ((AT (30-1)-759)) all provide that the "Contractor" (not "grantor" or "licensor") is engaged to "prepare a report evaluating the SAM dual temperature process for the production of heavy water. . . ." During this period he was merely informing Respondents what his new process was and what he believed it would do, and apparently there was no intention at this time by respondents to do any more than consider whether they might wish to test and use this process.

In the next contract in point of time,—((AT (30-1) 732)) Petitioner as "contractor" agreed "to render such technical assistance as the Commission may request. . . ." Contracts AT (07-2)-13, AT (07-2)-20, and the extension thereof by letter dated August 1, 1952 all refer to Petitioner as "contractor." These last

three contracts, just mentioned, and a fourth contract with Carbide and Carbon Chemical Company, which were entered into after the Commission decided to pilot plant test and use the process, all contained, either expressly or by reference a clause substantially as follows (emphasis supplied):

> "It is understood and agreed that neither this agreement nor any compensation paid hereunder, nor any of the provisions of Article V above, shall apply with respect to or affect *any* rights under the Atomic Energy Act of 1946 (as amended), *or otherwise,* that the Contractor may now or hereafter have *in and to such improvements* made between the aforesaid dates."

This language of "general reservation" obviously cannot properly be construed to be a "general conveyance" as contended by respondents.

Other facts which would indicate that no license to publish was granted are:

1. Petitioner was always referred to as "contractor", not "licensor" or "Grantor" or some similar designation indicating a conveyance of a right.

2. Practically all of the contracts contain a provision such as paragraph 6 of the first one above mentioned that "Either the contractor or the Commission may terminate this contract by giving the other notice in writing at any time." This is not consonant with acquisition of a right to publish.

3. In none of the contracts is the word "license" or any derivative therefrom, mentioned.

A full consideration of the "*res gestae*" of these contracts, including the Petitioner's letter to Mr. L.

Burns, of the A. E. C. of July 2, 1948, (R75) would further reveal that there was no contract to convey the "right to publish". (See Supplemental Appendix I, p. 24a, *infra.*).

Other matters urged by respondents in these pages are sufficiently discussed in Point I, *ante.*

4. *Re. pages 30-36.* In their Point IB2, Respondents contend that the clear implications of Petitioner's dealings with the Commission indicate that no restriction on publication was intended.[8] What the dealings actually indicate is that no desire to acquire any right to publish was ever voiced by Respondents or contemplated or bargained for by the parties.

Respondents argument loses sight of the fundamental difference between matters necessarily incident to the enjoyment of a license to make and use an invention; and matters not necessary thereto. For example, a license to make and use does carry with it a so called "resulting license" under other patents controlled by the licensor to the extent necessary to enable the licensee to do what he purchased the right to do, which matter, of course, is not here involved.[9] But a license to make and use an invention does not carry with it any license to sell, and similarly a license or eminent domain right to "use a secret process" obviously cannot properly be construed to carry with it any right to publish the process and destroy the secret.

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[8] It must again be stated that this issue is not properly before this Court for the same reasons heretofore given on the other new issues which Respondents have attempted to inject.

[9] The cases relied upon by Respondents in this connection are generally cases concerning licenses under *patents*, where no question of protecting a *trade secret* is involved, and are not in point as regards the present case.

In the case of *E. I. Dupont de Nemours Powder Co., et al.* v. *Masland, et al.*, 244 U. S. 100, Mr. Justice Holmes ruled:

> "The word property as applied to * * * trade secrets is an unanalyzed expression of certain secondary consequences of the primary fact that the law makes some rudimentary requirements of good faith"

Certainly the arguments now made by respondents are in violation of this precept.

5. *Re pages 36-39.* Respondents say in effect—this case has inconvenienced us for a long time and therefore it should be dismissed. They "tilt at windmills" when they argue that Petitioner should not be given a further opportunity to amend his complaint, because the complaint as amended definitely states a claim upon which relief can be granted.

They also completely disregard or ignore the need for further proceeding in the trial court if, as they contend, there are factual issues to be resolved. They further ignore the tremendously important national issues asserted by the Petitioner and the *Amici Curiae*, for the answering of which certiorari was undoubtedly granted.

Of secondary importance, are the petitioner's personal interests. Respondents continue to harp on the fact that petitioner has had what they consider ample time to pursue his foreign patents, as a reason for their demand. They ignore the basic issue regarding the inventors rights of secrecy, and the fact that that right extends at least throughout the period of pendency of his application for patent. *A. O. Smith Corporation* v. *Petroleum Iron Works Co.*, etc., 73 F. (2d) 531, 537, C. C. A. 6 (1934).

Respondents have attempted to inject new issues and considerations into this action, and to have this Court act as a trial court, with the obvious hope of obscuring and evading the real issues for the settlement of which certiorari was granted. This is not proper judicial procedure and does not support respondents duties to frankly meet the issues in this Court.

6. *Re pages 39-42.* Respondents argue that the secrecy order did not modify their right to publish. Of course, it did not; they had not bargained for and did not have the right to publish, and the secrecy order did not give them any right to publish.

7. *Re pp. 42-43.* Respondents contend that we have in this case petitioner's "private interest" confronted by their "large public exigency," and that on a balancing of the equities involved petitioner fails to state any ground upon which relief should be granted. Nothing is further from the truth. The fact is that **there is a tremendous public interest in the preservation of the initiative and rights of private inventors who deal with government officials in the maintenance of their intellectual property rights against illegal destruction by such officials;** and in the importance of protecting the dignity and property of the individual against the unrestrained exercise of arbitrary "power" by officials who do not hesitate to exceed their authority as government agents to attain their ends and also then, by "hook-or-crook", attempt to avoid the condemnation such practice demands.

The Constitution and statutes enacted pursuant thereto (Pet. Br., pp. 27-31) are designed to protect individuals in the enjoyment of his property against the unrestrained exercise of arbitrary "power" by government agents, whether or not their intentions are

honorable, and such fact should be reiterated by this Court, for the benefit of those government officials who may have forgotten this precept.

These are the reasons why the *Amicus Curiae,* the American Chemical Society, and the Engineers Joint Council, Inc. did not regard this as merely a case of "private interest". The American Chemical Society Brief in this proceeding under the "Interest of the *Amicus Curiae*" states in part:

> **"The importance of this question to members of the American Chemical Society cannot be overstated."**

The Engineers Joint Council, Inc., *Amicus* brief in this same action states in part at p. 1:

> **"Since Engineers Joint Council represents such a vast number of our nation's engineers and the case at bar presents a serious threat to the fundamental rights of our country's engineers and scientists, consent was obtained to file this brief."**

Indeed, it would seem to be quite unlikely that this Court would have even granted certiorari had it considered this as merely a case of a "private interest" as Respondents contend. Our need for an all out and supreme effort from our scientists has not diminished since the Russian Sputnick. In fact, it is probably greater now. The result of this case is being eagerly awaited by the scientific community. If the shoddy treatment accorded this petitioner is condoned, it certainly will not encourage scientists to deal with the Respondents or other government agents who are in positions of great power. It is a fundamental of Justice, engraved on the walls of the Justice Department that "Privilege involves obligations". Similarly,

the greater the "authority" of a government agent, the more diligent should he be to make sure that he does not overstep it in the exercise of his "power", and to realize that his wishes are not necessarily the law.

The Respondents have been granted great authority within the limits imposed by the Constitution. The work they are charged with doing is of the utmost importance to our general welfare. But if they deal with the scientific community arbitrarily and in a confiscatory manner, with no regard for the rights of the individual, such actions are apt to result in another instance of "killing the goose that laid the golden egg". The truth is that Respondents have placed what they deem expedient ahead of the fundamental and constitutional public interests involved. They are so eager to give good things away, that they have completely ignored the effect of their actions on those who produce and have rights in these good things.

Respondents and their employees have been able in most cases to overawe and obtain from most of the persons and scientists with whom they have dealt (who in general are rather meek persons) a complete assignment of pre-existing private rights as the price for doing business with them. Petitioner, however, was not one who would forfeit or convey all of his existing rights as a price of obtaining a contract. Respondents completely overlooked and ignored the fact that they had not forced him to sell out.

They not only incorporated his inventions into the government plants for use by the government (as they could properly do subject to just compensation), and they not only incorporated descriptions of Petitioner's inventions into manuals for confidential instruction of those charged with operating and maintaining those plants (such confidential instructions probably being

a necessary and proper incident to the use of the invention in the plants), but they later decided to publish such descriptions of Petitioner's invention and to give it away to the world at large (obviously not an incident to the use of the invention in the government plants) which right of publication they had not bargained for with the Petitioner.

And even after Petitioner's protest they persisted in their intention to so publish, probably assuming that he would not be able to stop them in any of their activities, or in any way deter them, even if he tried. Fortunately for the Nation (and for the Respondents as well as those who will have to deal with them) this Court has been able to evaluate the interests involved and has seen fit to hear Petitioner to assure that government by law and not by men, is maintained.

8. *Re pages 43-45.* Respondents' arguments as to the scope of the restraints in force and sought, i.e., that the restraining order and injunction sought "extend to processes wholly owned by the Commission", and their corollary argument that they have been excessively hampered by the restraining orders, have no substance. The orders in effect, and sought, go only to petitioner's improved process. Respondents say they have commingled Petitioner's trade secret with information they own in only 40 out of 1000 documents they wish to publish (Br. for Resp. in Opp. p. 12). As pointed out in items 11 and 15 of Petitioner's reply thereto, the order now in force and sought would not prevent publication of the 960 other documents, or even of the 40 commingled documents with the disclosures of Petitioner's improvements deleted therefrom. Obviously what respondents want is to publish Petitioner's trade secret, not merely their own information, and their contrary assertions are but camouflage.

9. *Re pages 45-47.* Respondent's argument that the injunction sought is indefinite as to time, and their corollary argument that Petitioner should forego his statutory rights, are clearly untenable.

A trade secret should be protected as long as it remains a trade secret. A matter *malum in se* today is just as bad tomorrow. Mere lapse of time does not convert wrong into right. Obviously the restraint sought by Petitioner, even if it did not say so in terms, would be subject to modification on a showing to the Court which issued it that the trade secret had ceased to exist, as such, after the order was issued.

The corollary argument attempts to present a non-analogous "exceptional case" as the general rule. This Court, speaking through Mr. Chief Justice Taft, in the case of *Overland Co.* v. *Packard Co., et al.,* 274 U. S. 417, (relegated to footnote by Respondents) stated the general rule that no one forfeits anything by availing himself of his statutory rights, and pointed out that the case of *Woodbridge* v. *United States,* 263 U. S. 50, (erroneously relied on by Respondents) was an "exceptional case" in which the inventor had *failed to comply with the statute,* and in which the Court was called upon to determine whether under *special legislation* for his relief, his delay of 9 years after such failure constituted *laches,* absence of which was made a condition of the relief. Thus the case of *Overland Co.* v. *Packard Co., et al.,* is in point here and supports Petitioner's position; while the *Woodbridge* case is not in point.

10. *Re pages 48-49.* Respondents' argument 3, that petitioner will have an adequate remedy at law for the damages which may be caused by the threatened publication, is based upon assumptions not supported by

the record and is also not supported by the authorities relied on. (a) *First* (p. 48) the Respondents assert Petitioner may *seek* compensation by an action for Breach of contract, relying on the *DeForest* case, the *Bofors* case, and the *Purifier* case, cited.

The *Bofors* case serves clearly to illustrate the *distinction* between the situation imagined by respondents, and that actually existing in this case. There Bofors licensed the United States to use its secret process to make guns in the United States "for United States use." The United States made the guns, using the secret process as arranged, but then transferred the guns to its allies for use by them. The court below properly held that such transfer was a breach of the express agreement to use the secret process only in making guns for United States use, and it was agreed by complainant that compensation was an adequate remedy for such breach. But in *Bofors* the United States was properly using the secret process in confidence; it was *preserving the trade secret* which was the *res* of the contract. To the contrary, in the present case the Respondents seek, by the threatened *publication,* to *destroy* the trade secret which is the *res* of the contract. The petitioners trade secret is as *unique* as a painting by Raphael. A contract for the right to display such a unique painting to a particular audience could be breached by displaying it to a different audience. But clearly on receipt of a threat to *destroy the unique Raphael painting,* the owner thereof would be entitled to an injunction against such destruction, *whether or not he could sue for damages for a breach of an implied warranty to preserve the res, if such destruction were accomplished.* In the case of *unique* property, threatened destruction is abhorrent and warrants injunctive

relief; the mere right to seek compensation is not an adequate remedy for destruction of unique property, and therefore is not properly relied on by the Respondents as a reason why they should be permitted to consumate their intended act of vandalism.

The *DeForest* and *Purifier* cases have no relevancy.[10]

(b) And this same distinction between "destruction" and "use of the *res* beyond the limits of the contract" of course applies regardless of whether the inadequate remedy is based on (first) breach of an express or implied contract not to destroy, or (second) on an implied promise to pay for any damage from unauthorized action. In either event destruction of the unique property should be prevented, not condoned.

On the subject of right to an injunction generally to restrain a disclosure of a trade secret, see annotation, "Rights and remedies (Independently of patent laws) of one whom makes an invention or discovery, or conceives an idea or plan, as against one who * * * discloses it, or threatens to do so.", 170 A. L. R. 449, which states in part commencing at p. 471:

> "Independently of patent laws, an inventor or discoverer, or one standing in his position, will be granted appropriate relief in respect of . . . dis-

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[10] The *Purifier* case merely indicated that the requisites of an implied contract "do not have to appear by the express declarations of the parties" and "may be collected from their conduct." This is of course true, but does not have any relevancy as to whether an injunction should be issued to prevent unconscionable destruction of unique property for which damages could never be an adequate remedy.

The *DeForest* case merely reiterated the well known rule that a licensee of one of two parties each having a right to grant licenses under a patent is immune from suit for infringement by the other. It turned on whether the express contract was in fact a license contract, and has no relevancy here.

> closure by one whose knowledge of the invention, discovery, process, etc., was obtained "in confidence", or through a confidential relationship, . . . the relief . . . extends generally to any person as to whom 'rudimentary requirements of good faith' give basis for judicial action. . . . An inventor or discoverer, or one in his position, will ordinarily be granted an injunction against threatened . . . disclosure of the unpatented device, discovery, process, formula, or other trade secret, whether the threat is that of a confidential disclosee or of one who acquired knowledge of the invention, etc. through fraud, theft, conspiracy, or breach of confidence. In fact, most of the cases are injunction cases, the usual ground of relief being the *irreparable character of the threatened injury* and the *inadequacy of the remedy at law.* * * * "

(c) The third argument of the respondents, (p. 49) that the threatened publication could be regarded as a "taking" of private property for public use, is also untenable. This argument of course presupposes that there is proper statutory authority for the eminent domain "taking and publication of a trade secret". No statutory authority for such an unconscionable misuse of eminent domain has been shown. Any attempt to *infer* such is clearly contrary to any reasonable interpretation of the statute. As stated by the *Engineers Joint Council, Inc.* (Br. Amicus E. J. C., p. 8):

> **"The Constitution requires compensation only for property taken for a public use; no public use of petitioner's property is being contemplated by the premature disclosure and publication thereof, but merely the destruction of the same."**

CONCLUSION

For the foregoing reasons, the judgment of the Court below should be vacated, the District Court's ruling of mootness should be reversed, and a preliminary injunction should issue to preserve the Petitioner's rights.

Respectfully,

CARLETON U. EDWARDS, II,
JOSEPH Y. HOUGHTON,
BERNARD MARGOLIUS,
Attorneys

SUPPLEMENTAL APPENDIX I

(Exhibit B—R. 75)

JEROME S. SPEVACK
17 Chittenden Avenue
New York 33, N. Y.

July 2, 1948

Att: Mr. L. Burns
Atomic Energy Commission
70 Columbus Avenue
New York, N. Y.

Dear Mr. Burns:

This letter is sent to you, at your request, so that the matters in issue between us can be reviewed and clarified with a view towards the ultimate consummation of a mutually satisfactory arrangement.

On May 27th, 1948, I commenced discussions with your office relative to the potential use of the Dual-Temperature Process for the production of Heavy Water at a very low cost. You were familiar with the fact that I am the sole inventor of the basic process, which has been made the subject of a patent application. Moreover, I have informed you that I believe that I can make certain improvements thereto directed towards the reduction of operating costs to an extremely attractive level, namely, approximately $5.00 per pound.

You and your colleagues suggested that I accept from the Commission a retainer as a consultant for the purpose of reviewing this process and of evaluating it in the light of the proposed improvements and economies. It was also suggested that this retainer include the preparation and submission by me of a design and cost estimate for the construction of a pilot plant to reduce this process to engineering practice. However, inasmuch as your said proposal provided for the waiver and extinguishment of whatever rights, which I may now have or which might otherwise hereafter accrue to me, to compensation or other emolument under existing regulations and procedures, it has not been possible for us to arrive at a mutually satisfactory arrangement to date.

I think we are agreed that the proposed improvements should be refined without delay and that the basic process and improvements are of such importance and interest to the Government that a definite contractual basis is highly desirable at this time.

I, therefore, propose a contract to provide for the following:

1. That I immediately proceed to refine the improvements.

2. That I then re-evaluate the process and improvements relative to plant and production costs.

(R. 76)

3. That I prepare and submit a design, operating specification, and a schedule covering the construction time and cost for a pilot plant.

4. Reimbursement for working time expended, which I estimate will consist of a total of approximately 300 to 500 man hours, by myself and possibly one or two assistants.

5. That reimbursement for working time shall not be considered as payment of any royalty, compensation, award or other benefits provided for under the Atomic Energy Act of 1946 nor shall such reimbursement serve as the basis for the characterization of this work as Federally financed research.

6. That if no arrangement for adequate compensation over and above reimbursement for working time is provided, then all rights which I now or hereafter may have to apply for royalty, compensation, award or other benefits in connection with this process and improvements under the Atomic Energy Act of 1946, shall be specifically reserved unto me.

7. All assignments of patents which may be applied for in connection with this project shall be limited solely to those assignments which are required under the Atomic Energy Act of 1946.

I trust that the foregoing will help to consummate a mutually satisfactory arrangement. However, even if no

such arrangement is entered into, I am nevertheless, willing to prepare and submit to the Commission upon its request, promptly upon completion and at no expense to the Government, a report of the re-evaluation of this process in the light of the proposed improvements.

Thanking you for your many courtesies and consideration, and awaiting your further word, I am

Sincerely,

/s/ JEROME S. SPEVACK

JSS/r